

Conservation Fund



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TABLE OF CONTENTS

Introduction.....	1
Fish and Wildlife Account	2
Forestry Account.....	11
Parks Account	20
Water Resources Account	22
Snowmobile Account.....	27
Boat Registration Account.....	30
All-Terrain Vehicle Account.....	32
Endangered Resources Account	33
Natural Resources Magazine Account	34
Motorcycle Recreation Account.....	35
General Conservation Fund.....	35
Appendices	38
Appendix I Conservation Fund Condition Statement.....	39
Appendix II Major Hunting and Fishing Licenses and Permits -- Current Fees and 1997-98 Sales.....	40
Appendix III State Parks and Forests Recreation Fees	41
Appendix IV State Parks and Recreation Areas.....	42
Appendix V Boat Registration Fees	43



Conservation Fund

Introduction

The conservation fund is a segregated trust fund used to finance many of the state's resource management programs administered by the Department of Natural Resources (DNR). DNR programs supported by conservation fund revenues include wildlife and fish management, forestry, the state parks system, the endangered resources program, and several recreational vehicle programs. The conservation fund also supports programs and operations in other agencies, including the Lower Wisconsin State Riverway Board, the Kickapoo Reserve Management Board, the University of Wisconsin System, the State Historical Society and the Departments of Commerce, Workforce Development and Agriculture, Trade and Consumer Protection.

The fund is defined under s. 25.29 of the Wisconsin Statutes. Conservation fund revenues may only be expended under the appropriation authority provided by the Legislature. The Department cannot transfer funds between appropriations. At the end of each fiscal year, unexpended amounts in most conservation fund appropriations lapse to the balance of the fund.

State and federal law require that some types of conservation fund revenues be used exclusively for particular activities. In addition, the statutes require that all monies received through DNR resource management, enforcement and local support activities be credited to the program which generated them. Therefore, separate accounts within the conservation fund have been adminis-

tratively created to facilitate its management. One account, into which snowmobile program revenues are deposited, is designated by statute. Other accounts may be referenced in statute, but are not defined.

The subdivision of the conservation fund into separate accounts differs from the practice used for most other state segregated funds. For example, the state transportation fund is not split into separate accounts. The accounts within the conservation fund enable DNR to ensure that revenues are utilized for authorized purposes. In addition, the accounts system is useful in developing budgets for each program area.

The conservation fund is divided into the following 10 accounts:

- fish and wildlife
- forestry
- parks
- water resources
- snowmobile
- boat registration
- all-terrain vehicle
- endangered resources
- natural resources magazine
- motorcycle recreation

This paper contains information on revenue sources for each account and the appropriations provided for specific programs during the 2001-03 biennium. The estimated 2001-03 condition statement for the conservation fund is included as Appendix I. Descriptions of program changes resulting from recent legislation are also included.

In reviewing the revenue and expenditure data, the reader should note five points. First, although certain federal revenues received by the state are deposited in the conservation fund, these revenues

are not included in discussions of revenues to each account or included in revenue totals. These estimated revenues are credited to separate federal appropriations. Second, several of the programs funded from the conservation fund also receive funding from general purpose revenue (GPR) or program revenue (PR), which are also credited to separate appropriations and are not generally discussed in this paper. Third, budgeted expenditures may exceed actual and estimated revenue amounts for some of the accounts during the 2001-03 biennium. This can occur when an account has a positive, uncommitted balance from a previous fiscal year and part of this balance is appropriated to fund program activities in the next fiscal year. Fourth, the amounts identified as revenue estimates for the 2002-03 fiscal year are primarily based on those submitted by DNR as part of its 2003-05 biennial budget request. These revenue estimates are typically reviewed and may be modified by the Department of Administration in developing the Governor's budget and again by the Legislative Fiscal Bureau during legislative deliberation of the biennial budget. Fifth, some revenue sources and expenditure categories, such as licensing and administration, are common to more than one account in the conservation fund, and are discussed in a separate section rather than under the individual accounts.

Fish and Wildlife Account

Revenue

General Account Revenue. The primary source of revenue to the fish and wildlife account is the fees charged for hunting, fishing and special licenses and stamps. There are a wide variety of licenses authorizing residents and nonresidents to hunt and fish. Hunting and fishing licenses vary according to the type of species that may be pursued, the method of pursuit, the number of people for whom the license is valid and the time

period for which the license is valid. To hunt or fish certain species (such as turkey or trout), a stamp must also be purchased in addition to the license.

Most licenses may be purchased directly from DNR or from sales agents appointed by the Department (such as sporting goods stores, discount stores and bait shops), although certain licenses are only available through the Department. An issuance fee of 75¢ for each license and 25¢ for each stamp is included in the purchase price. Previous to 2001 Act 16, a sales agent retained 50¢ for each license and 15¢ for each stamp that is sold. However, effective March 1, 2002, compensation for sales agents increased. In addition to receiving the issuance fee, beginning in license year 2002, sales agents also retain 50¢ for each transaction provided through ALIS, as well as 50¢ for each "Zone T" antlerless deer hunting permit issued. Both the issuance and transaction fees are deducted from the amount of license revenue retained by DNR. As such, the change did not increase the cost of purchasing a license.

Prior to 1997 Act 27, county clerks were able to appoint sales agents and to keep the remainder of the issuance fee. As part of the licensing automation initiative approved in that act, this authority was removed. In 2002-03, \$3,248,900 is appropriated for the operation of the Automated License Issuance System (ALIS). In addition, under 2001 Act 16, \$953,000 was placed in reserve for ALIS operation costs pending the renegotiation of the contract for the system. To receive expenditure authority for these additional funds, DNR would be required to submit a request to the Joint Committee on Finance under s. 13.10 at such a time when actual contract costs are known. On December 17, 2002, the Joint Committee on Finance released \$803,200 (which reflected the Department's request adjusted to account for previously provided base funding) in one-time funds from the fish and wildlife account to support ALIS operations in 2002-03.

Agents contracting with DNR to operate ALIS

terminals were also authorized to collect and retain the handling fee that DNR is authorized to charge for handling costs (such as credit transaction fees, mailing and personnel costs) if the individual purchases a license using a credit card. Currently, this fee is \$3. License year 1999 (April, 1999, through March, 2000) was the ALIS system's first year of operation. Over 1,500 agents contracted with DNR to operate ALIS terminals, including gas stations, marinas, sporting good stores, and chain stores (such as Wal-Mart and Mills Fleet Farm). By license year 2002, the number of independent ALIS agents decreased to 1,455. Currently, there are 160 different licenses and approvals issued through ALIS. During license year 2001 (April, 2001, through March, 2002), over 4.4 million licenses were sold through ALIS to 2.1 million customers. Approximately \$61.7 million in revenue was collected in license year 2001 from ALIS transactions.

Combination licenses, which provide holders the privileges of several individual licenses, are also available. The sports license provides the holder all the privileges of the fishing license and the small game and deer hunting licenses. The conservation patron license provides the holder with a number of hunting, fishing and other recreational privileges. While most of the revenue from conservation patron license sales is retained in the fish and wildlife account, a portion of the revenue is transferred to the forestry, parks and natural resources magazine accounts of the conservation fund to reflect the revenue from the license attributable to the privileges related to those accounts.

Appendix II identifies the current fee assessed for major recreational hunting and fishing licenses and the number sold during 2001-02 as reported by DNR's Bureau of Customer Service and Licensing. 1997 Act 1 implemented a general hunting and fishing license fee increase and made several changes to the licensing system. The bear harvest and bear pursuit licenses were generally reclassified as Class A and Class B bear licenses, respectively. A resident disabled veteran fishing license

was created with a fee set at \$5 (subsequently reduced to \$3 in 1997 Act 322). A provision was also included to provide annual fishing licenses to residents of the Wisconsin Veterans Home at King in Waupaca County at no charge. A group fishing license for the developmentally disabled was created in 1999 Act 9. It allows up to 12 individuals with developmental disabilities and their caregivers to purchase a one-day group fishing license for \$25.

Under 2001 Act 109, DNR was provided the authority to establish an elk hunting season. The Department was also directed to establish an elk hunter education course, which would be a mandatory requirement prior to participating in an elk hunt. Fees for the elk hunting licenses would be \$41 for residents and \$201 for non-residents (including a 75¢ issuing fee and \$1 wildlife damage surcharge). Individuals interested in purchasing an elk hunting license would be required to pay a \$3 processing fee when applying. Successful applications would be chosen on a random basis if the number of applications exceeds the available number of permits. Non-residents would be eligible to receive 5% of elk hunting licenses remaining after 100 tags were provided to residents. Elk damage would become eligible for the wildlife damage claims and abatement program when DNR establishes a season for hunting elk.

As a condition of receiving federal aid under the Sport Fish Restoration Act and the Wildlife Restoration Act, federal law requires that revenues received from hunting and fishing licenses not be diverted to purposes other than administration of the state fish and wildlife agency (in Wisconsin, the Department of Natural Resources). Federal aid is apportioned to each state based on the number of paid licenses holders and the land and water area of the state. To have a license sale recognized in the formula for determining federal aid, the state must charge a fee for a license sufficient to produce net income to the state after deducting reasonable fees for sales agents.

The Department also currently charges a \$3 permit application fee for the following permits: (a) hunter's choice deer hunting; (b) bonus deer hunting (with the fee waived under some circumstances); (c) bobcat hunting and trapping; (d) otter trapping; (e) fisher trapping; (f) Canada goose hunting; (g) wild turkey hunting; (h) sharp-tailed grouse hunting; and (i) Class A bear license. Some of these fees can be waived for holders of the conservation patron license. Revenue from sales of bonus deer hunting tags were higher in fiscal year 2001-02 than in fiscal year 2000-01 despite participation in special "Zone T" hunts during the fall 2002 deer hunting season and special hunts in the chronic wasting disease intensive harvest and management zones through the summer and fall.

In an effort to lower deer populations in widespread areas, DNR authorized additional antlerless deer seasons for gun hunters from October 24 through October 27, and from December 12, through December 15, 2002, in 45 of the state's 125 deer management units (36%). All hunters received one free "Zone T" antlerless permit when they purchased a deer-related license for the 2002 hunting season. Approximately 27,700 antlerless deer were harvested during the October "Zone T" season.

In addition to licenses purchased primarily for recreational activities, several types of licenses are required for specialized commercial fish and game activities. These include guide and sport trolling approvals, fur dealer and taxidermist licenses, commercial fishing and clamming approvals, fish and bait dealing approvals, wild animal and natural-waters fish farming approvals and licenses for wild rice harvesting and dealing.

Chronic Wasting Disease (CWD)

Between 1999 and 2001, DNR tested over 1,000 deer throughout the state for CWD. However, no positive samples were identified prior to the 2001 gun deer season. In that year, three bucks harvested from deer management unit 70A (which includes portions of Dane and Iowa Counties)

tested positive for the disease. Through December, 2002, approximately 36,000 samples from deer were submitted for testing. Of the test results received as of December 15, 2002, another 45 deer (or 48 wild deer in total) have generated positive test results for CWD, in addition to two farm-raised deer.

In response to DNR's request for assistance, the Governor called a special session of the Legislature in May, 2002, to address the issue, and the Legislature passed 2001 Act 108 to address issues concerning the state's ability to manage CWD in Wisconsin. Under the provisions of 2001 Act 108, \$4,000,100 was provided for CWD management efforts. Of the funding provided, \$3,000,100 was provided from wildlife damage program surcharge revenues, and \$1,000,000 was provided from the available balance of the recycling fund. DNR subsequently sought additional expenditure authority under s. 13.10 and on December 17, 2002, the Joint Committee on Finance approved an additional \$343,900 in one-time funding from the available balance of the wildlife damage program for costs related to herd eradication, sample collection, and enforcement efforts.

Captive Wildlife Regulation

Under s. 93.07 (10), the Department of Agriculture, Trade, and Consumer Protection (DATCP) has the responsibility to protect the health of domestic animals of the state, including farm-raised deer, and to prevent, control, and eradicate communicable disease among these animals. DATCP currently registers approximately 100 deer farms on non-native species (such as red deer and sika deer) and 275 elk farms. Under 2001 Act 56, the authority to license, regulate, and inspect all of the state's estimated 985 captive deer and elk herds (including approximately 610 whitetail deer farms), and related markets and movement in the state is transferred from DNR to DATCP on January 1, 2003.

In addition, under Act 56 the previous license

Table 1: Captive Wildlife Fees (Effective January 1, 2003)

	Initial Cost	Renewal
Captive Wild Animal Farm License, Class A	\$200	\$100
Captive Wild Animal Farm License, Class B	50	25
Bird Hunting Preserve License, Class A	300	200
Bird Hunting Preserve License, Class B	200	100
Bird Dog Training License*	25	25
Bird Dog Trial License	25	25
Hound Dog Training License*	25	25
Hound Dog Trial License	25	25
Dog Club Training License	100	100
Wildlife Stocking License**	25	25
Wildlife Rehabilitation License*	Free	
Scientific Research License	25	25
Non-profit Educational Exhibition License	25	25
Non-resident Temporary Exhibition License**	50	50
Wild Fur Farm License*	50	50

*Valid for three years

**Valid for 30 days

structure for captive wildlife permits is eliminated on January 1, 2003, and replaced with the licenses and fees shown in Table 1. DNR would retain responsibilities related to the inspection of fences for facilities containing farm-raised whitetail deer, and would be authorized to charge an inspection fee. Inspections would be valid for 10 years. Licenses shown on the table are valid for one year, unless otherwise indicated.

Dedicated Account Revenue. Some revenue sources to the fish and wildlife account are statutorily designated for specific purposes, rather than for general fish and game activities. The main categories of dedicated revenue are: (a) hunting and fishing stamps; (b) bonus deer permit and wildlife damage surcharge revenue; and (c) handling fees.

Hunting and Fishing Stamps. In order to hunt or fish certain species, a person must purchase a stamp in addition to a license. Currently, five stamps are required:

- waterfowl
- wild turkey
- pheasant
- inland waters trout

- Great Lakes trout and salmon

Revenue from the sale of these stamps must be utilized exclusively for habitat and propagation projects for the benefit of the respective species.

Under 2001 Acts 77 and 109, changes were made to extend the non-issuance period for a sturgeon spearing license from the November 1 preceding the open season until the last day of the season. In addition, the fee for a sturgeon spearing license was increased from \$10 to \$20 for residents and \$50 for non-residents. The requirement that a person must hold a valid fishing license to be issued a sturgeon spearing license was revoked, and the privileges of the license was removed from holders of conservation patron licenses. Revenues from the sale of sturgeon spearing licenses would be directed toward the cost of administering the license; for assessing and managing the lake sturgeon stock and fishery; and for improving and maintaining lake sturgeon habitat.

Bonus Deer Permit and Wildlife Damage Surcharge. A surcharge is added to most resident and non-resident hunting licenses to fund wildlife damage program activities. A \$1 surcharge is added to the following licenses:

- resident and nonresident deer
- resident and nonresident elk
- resident and nonresident Class A bear licenses (authorized in 1997 Act 1)
- resident and nonresident Class B bear licenses
- resident and nonresident archer
- resident and nonresident turkey (authorized in 1997 Act 27)
- resident and nonresident annual small game
- resident and nonresident sports
- nonresident five-day small game

- nonresident fur-bearing animal hunting

A \$2 surcharge is included for resident and nonresident conservation patron licenses. The wildlife damage surcharge generated \$1,006,500 in 2001-02.

Also, revenue from the \$12 (\$20 nonresident) bonus deer permit is used to fund wildlife damage programs. Resident and nonresident bonus deer permits generated over \$2.5 million during 2001-02.

Handling fees. In addition to the statutory fees charged for hunting and fishing licenses, DNR may collect a handling fee for the approvals that the Department itself issues. The fee cannot be more than the amounts necessary to cover the costs of issuing the licenses. The Department currently charges a \$3 handling fee for licenses ordered (primarily by out-of-state residents) with a credit card by phone, over the internet, or by mail from the DNR Madison office (all licensing agents may also charge, and retain, the \$3 fee for credit card purchases).

Tribal Gaming Revenue Transfer. An additional source of revenue to the fish and wildlife account began in 1999-00 with an annual transfer of \$2.5 million from tribal gaming revenue. This revenue is not statutorily designated for a specific purpose.

Table 2 lists the fish and wildlife account revenue in the 2001-03 biennium.

Expenditures

General Account Expenditures. Fish and wildlife account revenues that are not statutorily designated for specific purposes are used to support the fish and wildlife management and law enforcement functions of the Department.

Fish Management. The Bureau of Fisheries Management and Habitat Protection undertakes

Table 2: Fish and Wildlife Account Revenue

Revenue Sources	2001-02 Actual	2002-03 Estimate	2001-02 % of Total
Resident Hunting Licenses	\$17,276,300	\$16,067,000	26.1%
Nonresident Hunting Licenses	7,768,900	7,225,100	11.7
Duplicate Hunting Licenses	63,000	79,800	0.1
Hunting Stamps	999,200	999,200	1.5
Resident Fishing Licenses	10,140,300	10,140,300	15.3
Nonresident Fishing Licenses	7,948,600	8,390,700	12.0
Two-Day Sport Fishing	390,400	422,000	0.6
Duplicate Fishing Licenses	57,700	58,900	0.1
Fishing Stamps	1,868,000	1,868,000	2.8
Combination Licenses	10,621,500	11,215,100	16.0
Permit Application Fees	985,200	649,900	1.5
Tribal Gaming Transfer	2,500,000	2,500,000	3.8
All Other Revenues	<u>5,594,800</u>	<u>4,079,400</u>	<u>8.5</u>
Total	\$66,213,900	\$63,695,400	100.0%

various activities related to monitoring, maintaining and enhancing aquatic ecosystems and sport and commercial fisheries. Assessment and habitat protection surveys are conducted to identify critical areas where fish habitat is deteriorating or fish populations are declining. Surveys yield data relating to fish population structure and harvests, which are used in preparing environmental impact statements, developing regulations for the commercial fishing industry and assessing the impact of Native Americans exercising treaty rights. In addition, DNR is responsible for Great Lakes fish management activities.

Fish propagation and stocking involves raising and distributing fish to enhance fishing in areas where natural reproduction is insufficient. This function utilizes 10 cold-water (trout and salmon) facilities, three warm-water facilities (primarily for walleye, muskellunge and bass), two dual-purpose hatcheries, and three spawning facilities where eggs from feral trout and salmon are collected. In addition, DNR complements these facilities with additional rearing ponds located throughout the state. During 2001, DNR estimates it stocked inland streams and the Great Lakes with 6.6 million cold-water fish, of which less than 2% were fry (newly hatched fish, the youngest class stocked). In addition, inland lakes were stocked with approximately

Table 3: Wisconsin's Fish Propagation Facilities

	County	Brood Stock	Hatching Facilities	Fish Rearing
Cold-Water Facilities				
Bayfield	Bayfield		x	x
Brule River	Douglas			x
Kettle Moraine Springs	Sheboygan	x	x	x
Lakewood	Oconto			x
Langlade	Langlade			x
Nevin	Dane	x	x	x
Osceola	Polk	x	x	x
St. Croix Falls	Polk	x	x	x
Thunder River	Marinette			x
Westfield	Marquette		x	x
Warm-Water Facilities				
Oehmcke	Oneida		x	x
Thompson	Washburn		x	x
Western District	Various		x	x
Dual-Purpose Facilities				
Lake Mills	Jefferson		x	x
Wild Rose	Waushara	x	x	x
Spawning Facilities				
Besadny	Kewaunee		<i>feral trout & salmon</i>	
Root River	Racine		<i>egg collection</i>	
Strawberry Creek	Door			

63.5 million warm-water fish, 86% of which were fry. Fish stocks larger than fry (such as fingerling, yearling, and adult) included 8.3 million walleye, 223,400 largemouth bass, 116,100 northern pike and 261,000 muskellunge. The Department's fish propagation facilities are identified in Table 3.

Law Enforcement. DNR's responsibilities include the investigation and enforcement of laws relating to fish and wildlife, recreational vehicles, environmental protection and water regulation and zoning. These activities are performed primarily by conservation wardens whose enforcement authority varies depending on the type, location and severity of the violation. Conservation wardens share responsibilities with park superintendents and forest rangers for public conduct on state lands. When requested, wardens assist local police and are authorized to respond when any crime is committed in their presence.

In 2001-02, DNR's wardens recorded 355,500 hours for safety and enforcement work related to fish and game. These activities include enforcement

of hunting and fishing regulations, hunter education programs, commercial fish and game activities, treaty enforcement issues and car-killed deer contracts. In fiscal year 2001-02, 8,631 citations were issued for violations related to hunting, fishing and trapping laws.

Under 2001 Act 109, 13 GPR-supported conservation warden positions were transferred to the fish and wildlife account of the conservation fund, at an annual estimated cost of \$910,700. Positions funded with conservation fund SEG have the effect of allocating 1.0 full time employee per year to purposes associated with the account that provides the funding. DNR financial records and law enforcement task timesheets indicated that for fiscal year 2000-01, at least 13.0 GPR supported FTE were devoted to fish and wildlife enforcement efforts.

The Department is also required to establish hunter education and bow hunter education courses. Both courses provide instruction to students in the responsibilities of hunters to wildlife, the environment, landowners and others, how to recognize threatened and endangered species and the principles of wildlife management and conservation. Under 2001 Act 16, the student fee requirement for both bow and gun hunter safety courses was eliminated. Course instructors are reimbursed for costs associated with offering the class, up to \$5 per student from the fish and wildlife account of the conservation fund. The hunter education program addresses safety in handling firearms and bows used in hunting, while the bow hunter education program covers only hunting with bows and arrows. With certain exceptions, no person born on or after January 1, 1973, can obtain a hunting license unless the person is issued a certificate of accomplishment from the appropriate program. In fiscal year 2001-02, 29,270 students successfully completed a hunter education course and 2,897 completed a bow hunter education course.

Wildlife Management. The Bureau of Wildlife Management works to protect and manage the wildlife populations and habitats of the state and

promotes wildlife appreciation and recreational opportunities. Wildlife biologists and technicians manage and regulate various species, including deer, bear, geese, turkey and waterfowl. Wildlife personnel also assist in the management of wildlife on private lands and take part in wildlife-related educational efforts. Urban wildlife, captive wildlife and wildlife rehabilitation issues are also handled by this bureau.

DNR also operates the state game farm at Poynette, which raises approximately 48,000 adult pheasant roosters and 11,000 hens annually for stocking on public hunting grounds and provides almost 60,000 day-old rooster chicks annually to 68 conservation and sports clubs in 40 counties in the state under cooperative agreements. In addition, the Department also administers the wild pheasant restoration program, in which pheasants are released at various locations in the state.

In an effort to more effectively manage the state's growing white-tail deer population, the DNR expanded its herd monitoring capabilities and conducted an audit of its Sex-Age-Kill (S-A-K) methodology for estimating deer populations. In addition, the Department, together with the Conservation Congress (a non-profit conservation organization), undertook an extensive public input initiative called "Deer 2000 and Beyond". The purpose of this initiative was to generate public input, which would guide DNR's budget recommendations for changes in hunting seasons, determinations of quotas, and regulation of hunting practices (such as baiting and feeding).

Wisconsin Conservation Corps (WCC). Fish and wildlife account funds are appropriated for the costs of habitat projects undertaken by the WCC. Because of federal regulations requiring that revenues received from hunting and fishing licenses not be diverted from DNR, the funding is appropriated to DNR and received by the WCC as program revenue.

Car-Killed Deer. The state appropriates

funding (\$629,200 in 2002-03) to contract for the removal and disposal of car-killed deer from state highways. Beginning with 1997 Act 27, 50% of these funds are from the fish and wildlife account and 50% are from GPR. Until 1997, these costs were evenly divided between the fish and wildlife account and the transportation fund. In 2001-02, DNR spent \$301,700 SEG from the fish and wildlife account on its contracts to remove car-killed deer. In 2001-02, approximately 45,300 car-killed deer were reported across Wisconsin.

County Conservation Aids. Under this program, counties and tribal governing bodies may apply for grants of up to 50% of the costs of county fish and game management projects. Eligible game projects include game food seeding, browse improvement cutting, prescribed burning and the creation of game cover brush piles, impoundments and nature trails. Examples of eligible fish management projects include lake and stream improvements, rough fish control, construction of fish shelters and stream side fencing.

Dedicated Account Expenditures. Dedicated revenues support habitat and monitoring efforts for particular species, wildlife damage programs and license handling and issuance.

Wildlife Damage Programs. Previous to 1999, revenue from the wildlife damage surcharge and bonus deer permits was statutorily directed to be expended on three programs related to wildlife damage: (a) the wildlife damage claims and abatement program; (b) control of wild animals; and (c) the urban wildlife abatement and control grant program. The 1999-01 biennial budget included a provision that allowed DNR to use funds from the wildlife damage program to pay participating counties for the processing of venison that was donated to food pantries or charitable organizations during a deer herd control season established by the DNR to abate deer damage. These costs are to be paid after other wildlife damage program expenditures, and the DNR is directed to prorate payments if available funding is not available to

fully reimburse counties. As of December 4, 2002, over 4,800 deer had been donated to be processed for food pantries statewide from the fall 2002 deer herd control hunts (almost 1,000 more than the 2001 fall hunting season). The program cost the state an estimated \$244,500 in calendar year 2001. As of December 4, 2002, approximately 215,000 pounds of meat was donated to food pantries in 42 counties from deer harvested during the fall of 2002.

Under 2001 Act 16, a donation program was created, allowing any applicant for a deer, bear, turkey, or small game hunting license to elect to make a voluntary contribution of at least \$1 to be used for the venison processing donation program. The provision went into effect on January 1, 2002. As of December 10, 2002, 4,962 individuals donated \$18,100.

Wildlife Damage Claims and Abatement Programs. These programs provide landowners in participating counties with financial assistance to implement projects to reduce crop damage and partially reimburse losses incurred from crop damage. Counties may participate in the wildlife damage abatement program, which emphasizes damage prevention but provides no payments for damages incurred, or they may participate in both the wildlife damage abatement and the wildlife damage claims programs. Counties may also decide not to administer either program.

Numerous changes to the wildlife damage programs were made in 1997 Act 27, generally effective for damage occurring beginning in 1998. Under these programs, DNR assists participating counties in developing and reviewing administrative plans. The state fully funds DNR-approved county administrative costs. Approved abatement projects are eligible for state funding of up to 75% of costs, with the remaining share paid by the landowner. Landowners in counties that administer both the abatement and damage claims programs are eligible to file claims for damage to agricultural crops, harvested crops, orchard trees,

nursery stock, beehives or livestock if the damage is caused by deer, bear, geese or turkey. Elk damage would become eligible for reimbursement under the wildlife damage claims and abatement program as soon as DNR promulgates administrative rules that establish a season for hunting elk. Damage caused by sandhill cranes would also be statutorily included, if a hunting season were established. Each claim is subject to a \$250 deductible. A claimant is paid 100 percent of the first \$5,000 above the deductible. If a claim is greater than \$5,250, a person can receive 80 percent of the amount of the claim, with the total amount paid not to exceed \$15,000 per claim. If the total amount of damage claimed is greater than available revenue after paying for administration and abatement, the Department prorates claim payments.

Requirements for opening land to hunting under the wildlife damage claims and abatement programs were set in 1997 Act 237. A person who receives wildlife damage abatement assistance or a wildlife damage claim payment is required to permit hunting during the appropriate open season of the type of wild animals causing the damage on that land. However, a hunter must first notify the landowner of his or her intent to hunt on the land, and a landowner may deny a hunter access to land for reasonable cause related to certain safety and property-related concerns. In addition, a landowner may deny a hunter access if at least two hunters per 40 acres of eligible land are present on the land when the hunter notifies the landowner that he or she intends to hunt on the land.

In calendar year 2001, 69 counties participated in the programs. During that year, approximately \$3.17 million was expended by the state as follows: (a) \$851,200 for county administrative expenses; (b) \$247,400 for abatement projects; (c) \$1,565,600 for damage claims; (d) \$244,500 for costs associated with the processing of donated venison; and (e) \$257,700 for the control of wild animals and urban wildlife abatement and control grants.

Control of Wild Animals. The surcharge revenue is also used for the Department's costs of removing wild animals that cause damage, and responding to complaints about wild animals, or their structures, which are causing a nuisance.

Urban Wildlife Abatement and Control Grants. The 1997-99 biennial budget established a 50% cost-share grant program under which urban communities can apply to DNR for grants of up to \$5,000 for planning wildlife abatement projects and for wildlife control efforts. The program is funded at \$25,000 annually.

Chronic Wasting Disease (CWD) Management. One-time funding of \$3,344,000 in 2002-03 was provided from the available balance of the wildlife damage program for efforts relating to CWD management in the state deer herd. An additional \$1,000,000 was provided in 2002-03 from the recycling fund under provisions of 2001 Act 108 for these purposes as well. Funds were provided for herd monitoring and sampling, law enforcement and wildlife management staff costs, equipment, supplies, travel, education efforts, LTE and overtime costs as well as for a project veterinarian, public information officer, and data manager position. In addition, DNR was directed to provide funds to the Wisconsin veterinary diagnostic lab (WVDL) for CWD testing and could provide DATCP with funds to buy-out captive deer herds for CWD testing, support DATCP CWD-related staff, and publicize CWD control efforts to deer farmers and processors.

Stamp-Funded Programs. All of the money from the sale of the pheasant and turkey stamps are statutorily required to be used for developing, managing, preserving, restoring and maintaining the wild populations of the respective species in the state. Two-thirds of the revenue from the waterfowl stamp are to be used for developing, managing, preserving, restoring and maintaining wetland habitat for producing waterfowl; the other third is contributed to governmental or nonprofit agencies in Canada for the propagation, manage-

ment and control of migratory waterfowl for Wisconsin and the Mississippi flyway.

Funds from the inland trout stamp are used to improve and maintain trout habitat and conduct trout surveys in inland trout waters. Revenue from the Great Lakes trout and salmon stamp can be used to supplement and enhance the existing trout and salmon rearing and stocking program in outlying waters.

Handling Fees. Revenue from handling fees cover the costs associated with issuing approvals that are requested by mail, telephone or purchased on the internet and includes credit transaction fees, mailing costs and personnel costs that are necessary to process the credit transaction.

Table 4 lists the major expenditure categories funded by the fish and wildlife account and identifies 2001-02 actual expenditures and the amounts appropriated for 2002-03 for each of these categories.

Administrative Funding Limit. Beginning in 1999-00 DNR is prohibited from expending more than 16% of funding from the fish and wildlife account in any fiscal year for administrative purposes. The 16% limit is statutorily defined to include DNR administrative and support services as well as division administration (bureau administration and licensing costs, which were included in the Legislative Audit Bureau's "overhead" category, are not included in the statutory definition as a result of the Governor's item veto). In April, 2000, DNR submitted a report on the 16% administrative limit for review by the Joint Committee on Finance. In July, 2000, the Committee required DNR to eliminate \$469,000 and 4.5 positions from administrative appropriations that had been funded from the fish and wildlife account to meet this requirement. Under the 2001-03 biennial budget, the Legislature required DNR to submit a report to the Joint Committee on Finance detailing its rationale for its current administrative funding and demonstrating

Table 4: Fish and Wildlife Account Expenditures

Expenditure Categories	2001-02 Actual	2002-03 Appropriated	2001-02 % of Total
Fish and Wildlife Program Appropriations			
Law Enforcement	\$14,924,800	\$14,803,900	20.9%
Fish Management	14,449,200	14,345,000	20.3
Wildlife Management	9,826,800	9,686,300	13.7
Wisconsin Conservation Corps	296,000	283,300	0.4
Car Killed Deer	301,700	314,600	0.4
County Conservation Aids	126,800	150,000	0.2
Dedicated Revenue Appropriations			
<i>Wildlife Damage Programs:</i>			
Wildlife Damage Claims and Abatement Program	\$2,882,300	\$2,187,700	4.0%
Control of Wild Animals	237,500	214,500	0.3
Urban Wildlife Abatement and Control Grants	20,200	25,000	0.1
Chronic Wasting Disease Management	0	3,344,000	0.0
<i>Stamp-Funded Programs:</i>			
Trout Habitat Improvement	\$1,303,600	\$1,156,000	1.8%
Great Lakes Trout and Salmon	1,270,300	1,150,400	1.8
Pheasant Restoration	380,900	486,600	0.5
Wetlands Habitat Improvement	339,900	338,400	0.5
Wild Turkey Restoration	532,500	212,200	0.7
Canadian Agencies Migratory Waterfowl Aids	173,100	169,200	0.2
Handling Fees	\$19,100	\$534,000	0.1%
Miscellaneous	227,000	141,100	0.3
Split-Funded Appropriations			
Administration and Technology Division	\$7,537,400	\$7,198,100	10.5%
Customer Assistance and External Relations Division	7,882,200	6,916,400	11.0
Division Management	1,698,600	1,691,200	2.4
Facilities and Lands Operations	2,807,600	2,876,400	3.9
Integrated Science Services Operations	2,214,600	2,212,200	3.1
Administrative Facility Repair and Debt Service	1,325,300	1,358,500	1.9
Aids in Lieu of Taxes	303,300	296,300	0.4
Resource Acquisition and Development	248,700	459,400	0.3
Taxes and Assessments	<u>236,300</u>	<u>102,000</u>	<u>0.3</u>
TOTAL	\$71,565,700	\$72,652,700	100.0%

the equity of its assignment of costs in terms of benefits received by individuals whose user fees support the conservation fund. The provision was item vetoed by the Governor. However, in his veto message, the Governor requested DNR to review its methodology and to share the information with interested parties. As of December, 2002, DNR had not submitted this report.

Forestry Account

Revenue

Article VIII, Section 10, of the Wisconsin Constitution allows the state to appropriate

moneys for the purpose of acquiring, preserving and developing the forests of the state through a tax on property not to exceed 0.2 mill (20¢ per \$1,000 of property value). This tax is frequently referred to as the "forestry mill" tax and is the only property tax levied by the state. The rate of the mill tax, which is established in statute, was set at 0.2 mill in 1937 and has not been changed since.

The tax is collected with other property taxes on a calendar-year basis and is calculated by using each county's total equalized property value, as determined by the Department of Revenue, for the previous year. For 2001-02, the tax generated \$62.5 million, which is 85.2% of the total revenue that was credited to the forestry account in that fiscal year. Statutorily, at least 12% of the revenue generated by the tax must be used to acquire and develop forests within a sixteen-county region southeast of a line running generally from Rock to Outagamie to Manitowoc Counties.

Other sources of revenue to the forestry account include: (a) revenues from the sale of timber on state forest lands; (b) revenues from the sale of stock from the state's tree nurseries; (c) camping and entrance fees at state forests; (d) severance and withdrawal payments from timber harvests on cooperatively-managed county forests and on privately-owned land entered under the forest crop land and managed forest land programs; and (e) a portion of the revenue from the sale of the conservation patron licenses, to reflect the fact that license holders are granted admission to state forests at no additional charge as part of the license.

Application, conversion and transfer fees under the managed forest land program are dedicated within the forestry account for specific purposes related to that program.

Table 5 lists the revenue to the forestry account in the 2001-03 biennium.

Table 5: Forestry Account Revenue

Revenue Sources	2001-02 Actual	2002-03 Estimate	2001-02 % of Total
Mill Tax	\$62,506,200	67,065,300	85.2%
Timber Sales	3,314,400	3,000,000	4.4
Nurseries	1,983,000	2,050,000	2.7
Forest Tax Law	2,140,600	1,985,500	2.9
Campsite Fees	1,367,600	1,367,600	1.9
State Forest Admission Fees	1,451,500	1,854,600	2.0
Sales and Services	415,100	221,700	0.6
Patron Transfer	<u>219,900</u>	<u>215,500</u>	<u>0.3</u>
TOTAL	\$73,398,300	\$77,760,200	100.0%

Expenditures

Forestry account revenues are used to fund several forestry programs and related administrative activities. 1999 Act 9 created a Division of Forestry within DNR and created an unclassified division administrator position (previously Forestry had been a bureau within the Land Division).

State Forest Operations. State forests are managed to provide a full range of benefits, including soil protection, public hunting, protection of water quality, production of recurring forest products, outdoor recreation, native biological diversity, aquatic and terrestrial wildlife, and aesthetics. In recognition of this, 1999 Act 9 converted eight wildlife biologist positions that had previously been funded by the fish and wildlife account to the forestry account for forestry-related wildlife management on state land and other forested areas. Two of these positions were transferred from forestry back to wildlife management under 2001 Act 16 to reflect the workload of wildlife staff on state forests. The Department operates state forests under two separate administrative structures. Previously, the northern state forests (17 properties) were operated by DNR's forestry staff in a manner that tended to focus on the enhancement of their timber resources, while the seven southern forest properties were operated by state parks personnel and managed in a manner that tended to give pri-

ority to their recreational value. Currently, forestry staff have reviewed property management plans and made changes to balance the forest quality development with the recreational potential of forest properties. Table 6 identifies the seven largest northern forest properties and all southern state forests and the acreage of these properties as of July 1, 2002. The first installment of the purchase of the Peshtigo River State Forest property took place in December, 2001, with the acquisition of 5,701 acres from Wisconsin Public Service Corporation (WPSC). The transaction is scheduled to take place in four stages, with the state completing its acquisition of the parcel no later than December, 31, 2004 (unless delayed by mutual agreement).

The Department operates three tree nurseries (Hayward, Boscobel and Wisconsin Rapids) which produce and distribute seedlings (trees and wildlife shrubs) used for reforestation and conservation purposes. Each year, the nursery distributes between 18 million and 20 million seedlings. Nursery stock is sold at prices that reflect costs to administer the forest nursery program and, with the exception of seedlings distributed to pupils for Arbor Day activities, may not be used for ornamental or landscaping purposes. Under the 2001-03 biennial budget, the surcharge on the sale of nursery stock was increased from 1¢ to 2¢ in 2001-02 and from 2¢ to 3¢ in 2002-03. Proceeds from the surcharge are dedicated to forestry public education and awareness programs, and divided evenly between an appropriation supporting a DNR contract with the University of Wisconsin – Stevens Point for the development of a kindergarten through twelfth grade forestry education curriculum and an appropriation that would support public education and forestry awareness efforts.

The Department has broad authority in the prevention, detection and suppression of forest fires. DNR utilizes funding to establish and maintain lookout towers, ranger stations and fire sup-

Table 6: Wisconsin's State Forests

	Counties	Acreage
Northern Forests		
Northern Highland	Iron, Vilas	168,695
Flambeau River	Ashland, Price, Rusk, Sawyer	90,148
Black River	Jackson	67,070
American Legion	Oneida, Vilas	54,544
Brule River	Douglas	40,882
Governor Knowles	Burnett, Polk	19,753
Peshtigo River	Marinette, Oconto	9,239
Coulee Experimental Forest	La Crosse	2,972
Other Properties	Various	<u>2,387</u>
Subtotal Northern Forests		455,689
Southern Forests		
Kettle Moraine-Northern Unit	Fond du Lac, Sheboygan, Washington	29,268
Kettle Moraine-Southern Unit	Jefferson, Walworth, Waukesha	20,533
Point Beach	Manitowoc	2,903
Kettle Moraine-Loew Lake	Washington	1,086
Kettle Moraine-Lapham Peak	Waukesha	1,006
Kettle Moraine-Pike Lake	Washington	678
Havenwood Forest Preserve	Milwaukee	<u>237</u>
Subtotal Southern Forests		55,711
TOTAL		511,400

pression and communications equipment and for fire law education and enforcement activities. The Department's forest fire control program takes primary responsibility for forest fires on public and private lands in most northern and many southern counties. The program also provides cooperative services to towns in those southern counties where wooded lands are more scattered.

Department foresters assist private landowners and county foresters in a variety of management activities, including the development of management plans and marketing strategies and the demonstration of pest control techniques. Of the estimated 15.7 million acres of forest land in the state, about two-thirds are privately-owned, while an additional 15 percent are part of forest properties owned by county and municipal governments. The 1999-01 biennial budget provided five additional forester positions funded from the forestry account to address growing demands in this area. In addition, funds were provided to allow DNR to contract with private foresters to prepare management

plans for the entry of land into the Managed Forest Land (MFL) program. Under 2001 Act 16, \$1.3 million and 23.0 forester positions were provided to enhance assistance to private forest landowners. The funding and positions were provided to increase contacts between non-industrial private forest owners and DNR foresters or state contracted private foresters to provide land management guidance.

Stewardship Debt Service. 1997 Act 27 provided \$8.7 million in funding from the forestry account in each year of the 1997-99 biennium for payment of principal and interest related to the acquisition and development of state forest and nursery properties under the Warren Knowles-Gaylord Nelson stewardship program. Debt service for the stewardship program has been primarily funded from general purpose revenue (GPR). This provision sunset on June 30, 1999. Under 1999 Act 9, \$3 million each year from the forestry account is used to meet these same debt service commitments for the 1999-01 biennium only. Under 2001 Act 16, \$8 million is provided in 2001-02 and \$4 million in 2002-03.

Forest Crop Land and Managed Forest Land Aids. The forest crop land (FCL) and the managed forest land (MFL) programs are designed to encourage landowners to manage private forest lands for the production of future forest crops for commercial use through sound forestry practices. Land enrolled under these programs is exempt from local property taxes. Instead, landowners make payments to towns or villages (which in turn pay a portion to the counties) in amounts determined by the date the land is entered into these programs. The Department distributes state aids to the towns and counties in which land entered under the forest crop land and managed forest land programs is located.

Property owners with land enrolled in FCL must comply with certain forestry practices and must allow hunting and fishing on all of the designated land. In return, the landowner pays the town 10¢ per acre for land entered prior to January 1,

1972. On land entered since 1972, owners pay 83¢ per acre and will pay this amount through 2002. The rate was adjusted to \$1.66 per acre for 2003 payments and is to be adjusted every tenth year thereafter. Certain special classes pay 20¢ per acre. The last contract expires in 2035. In addition, DNR receives severance taxes on timber harvested on the land and withdrawal penalties for land taken out of the program under certain conditions. The revenue from the taxes and penalties is divided between the Department and the municipality and county in which the land is located.

On January 1, 1986, new entries into FCL were eliminated, although existing FCL contracts will remain in effect until their expiration. 1985 Act 29 created the managed forest land program to encourage the productive management of private forest lands. Under this program, landowners paid the town 74¢ per acre each year through 2002. The rates increase to 83¢ per acre beginning in 2003. In addition, a landowner has the option of closing a maximum of 80 contiguous acres to public access if an additional \$1.00 per acre is paid for each acre closed to public access. The rates were adjusted in 2002 (increasing to \$1.12 per acre) and will be adjusted every fifth year thereafter, using a formula that accounts for changes in the average statewide property tax for undeveloped lands. Similar to FCL, DNR receives a portion of the yield tax on merchantable timber harvested and of withdrawal penalties, with the remainder going to the municipality and county.

1993 Act 131 allowed the conversion of certain land from FCL to MFL. The landowner was required to have submitted the conversion application and a \$100 application fee between September 1, 1994, and January 1, 1998. DNR is required to approve or disapprove the application within three years after its submittal date. No withdrawal taxes may be assessed for the conversion of forest crop lands to managed forest land. During the conversion process, the Department received 1,837 applications. 2001 Act 109 once again reopened the conversion option for landowners enrolled under FCL.

Anyone petitioning for entry of forestland under MFL or conversion from FCL to MFL is required to pay a \$100 fee, unless the applicant submits a forest management plan that is approved by DNR (in which case the current \$10 fee would be paid in order to cover the cost of recording the agreement under MFL).

Annually, the Department makes payments to each county that has more than 40,000 acres within its boundaries that are entered on the tax roll as FCL or MFL. The amount paid to each county is equal to the number of FCL and MFL acres in the county divided by the total number of FCL and MFL acres that are within the boundaries of counties that are eligible for payments, multiplied by the amount appropriated for these payments. In 2002-03, \$1,250,000 is appropriated for these payments.

County Forest, FCL and MFL Aids. Annually, DNR pays each town treasurer 30 cents for each acre of land entered in the county forest program in the previous year. The Department also pays towns and villages 20 cents for each acre enrolled in FCL and MFL. A town or village must submit 20 percent of all moneys received for FCL and MFL acreage to the county treasury.

County Forest Grants. Under 2001 Act 16, \$200,000 is provided annually to establish a grant program to increase the implementation of sustainable forestry practices on county forest land.

County Forest Loans. A county may receive from the state noninterest-bearing loans to be used for the acquisition, development, preservation and maintenance of county forest lands, with a maximum loan of 50 cents per acre of county forest land. If the amounts appropriated for these loans are not sufficient to pay all of the amounts approved by DNR, the Department provides funding to eligible counties on a prorated basis.

County Forest Project Loans. The Department may allot additional interest free forestry aid loans

on a project basis to individual counties to permit the counties to undertake meritorious and economically productive forestry operations, including land acquisition. These additional aids may not be used for the construction of recreational facilities or for fish and game management projects

County Severance Loans. This includes all monies received from acreage loan severance share payments from county forest loans or from project loan severance share payments.

Urban Forestry Grants. Under the urban forestry grant program, the Department awards grants to cities, villages, towns, counties, tribal governments and non-profit organizations for up to 50 percent of the cost of various projects, including tree management plans, tree inventories, brush residue projects, the development of tree management ordinances, tree disease evaluation, public education relating to trees in urban areas and other related projects. Under administrative rule, the minimum grant is \$1,000 and the maximum grant is \$25,000.

Under the 2001-03 biennial budget, funding was increased to \$794,000 in 2002-03. Of the amount provided, \$165,000 would fund contracts for urban forestry specialists to provide technical assistance, education, and training to communities in south central and northeast Wisconsin. Of the \$629,000 available for urban forestry grants, \$37,500 was earmarked each for Winnebago and Outagamie Counties, and \$25,000 was earmarked for Burnett County for tree planting efforts.

County Forest Administrator Grants. The county forest administrator grant program was modified in 1997 Act 237. Prior to that act, DNR provided grants to counties with county forest land for up to 50% of the salary of a county forest administrator or assistant county forest administrator. Under administrative rule, the annual grant award to a county could not exceed the lesser of 50% of the position's annual salary or the maximum grant amounts established based on the acres

of county forest. Additional funding was provided in 1997 for anticipated grants under the previous program structure and for the following changes: (a) funding 50% of the fringe benefit cost of a forest administrator or assistant forest administrator, with a maximum eligible fringe rate of 40% of salary; and (b) eliminating the linking of the county forest administrator grant amount to the acreage of county forest land. Funding for the program was increased to \$797,000 in 2001-02 and to \$895,000 in 2002-03 under 2001 Act 16.

Fish, Wildlife and Forestry Recreation Aids. Counties may apply to the Department for funding (\$150,000 in 2002-03) for up to 50% of the project cost of fish and wildlife management projects and for outdoor recreational facilities on county forest lands. Eligible outdoor recreational facilities includes picnic and camping grounds, various types of trails (nature, bridle, hiking, cross-country ski and snowmobile), trail-side campsites, beaches, toilet and shower facilities, shelters, wells, pumps and fireplaces. Costs associated with the operation and maintenance of recreational facilities and with the development of facilities for spectator sports are not eligible for funding.

In addition, counties may apply for grants for the development of wildlife habitat in county forests. These projects are limited to those designed to benefit wildlife and the natural environment. County funding for habitat projects is limited to 10 cents for each acre registered as county forest land; however, funds that remain unallocated as of March 31 of each year may be allotted to any county (as long as the total received does not exceed twenty cents per acre registered as county forest). Counties are required to complete a comprehensive county forest land use plan as part of the application process. In 2002-03 \$234,500 is appropriated for county wildlife habitat projects.

Recording Fees. Application, conversion and transfer fees under the managed forest land (MFL) program are dedicated to pay the register of deeds any recording fees related to notices of order under

MFL. If the revenues from the MFL fees are not sufficient to pay the recording fees, the balance would be paid from the forestry general operations appropriation.

Reforestation. Forestry account funding is appropriated for reforestation activities on state forests and nursery properties.

Lake States Wood Utilization Consortium. A portion of the funding of the Lake States Wood Utilization Consortium under the Department of Commerce comes from the forestry account. The Consortium provides research, development and demonstration grants to enhance the forest products industry in Wisconsin and other states.

Private Forest Grants. Beginning in 1997-98, \$1,000,000 was appropriated annually for a program to award grants for the costs of developing and implementing forest stewardship management plans by owners of 500 acres or less of nonindustrial private forest land in the state. This amount was increased to \$1,250,000 annually under 2001 Act 16. Under statute, management plans are required to contain practices that protect and enhance: (a) soil and water quality; (b) endangered, threatened or rare forest communities; (c) sustainable forestry; (d) habitat for fish and wildlife; and (e) the recreational, aesthetic and environmental benefits that the forest land provides. Under administrative rule, grants are to be given for not less than 50%, but not more than 65% of eligible costs, with a maximum grant amount of \$10,000. DNR gives preference to projects that are directed to accomplish one or more of the following: (a) establish or reestablish forests through regeneration; (b) improve forest stand productivity, vigor, health or value; (c) encourage sustainability; (d) provide protection of soil and water resources; (e) include additional land under written forest stewardship management plans; (f) provide protection and enhancement of riparian areas and wetlands; (g) provide protection and enhancement of terrestrial wildlife habitat; or (h) provide endangered, threatened, or rare species habitat enhancement and natural community habitat maintenance and enhance-

ment.

Fire Suppression Grants. 1997 Act 27 created a pilot program worth \$525,000 annually to award grants for up to 50% of the costs of purchasing fire resistant clothing and fire suppression supplies, equipment and vehicles. Funds are available to cities, villages, towns, counties and fire suppression organizations that enter into a written agreement to assist DNR in the suppression of forest fires when requested. The program was authorized on a two-year demonstration basis with a June 30, 1999, sunset. The 1999-01 biennial budget deleted the sunset provision and allocated \$198,000 annually from the forestry account, with \$327,000 in federal funds to continue grant levels of \$525,000 annually. An additional \$250,000 was provided annually under 2001 Act 16, increasing funds available in 2002-03 to \$775,000 (\$448,000 in forestry SEG and \$327,000 FED). In addition, Act 16 expanded allowable uses of the grant to include fire prevention materials and fire suppression training.

Assistance for Nonprofit and Private Conservation

Urban Land Conservation. 1999 Act 9 provided \$75,000 annually from the forestry account to provide a grant to a non-stock, non-profit corporation organized for urban land conservation purposes. The corporation must provide \$25,000 in matching funds and submit an annual report to DNR and the Legislature detailing the activities for which the grant was expended. The grant may be used by the corporation for urban forest protection, water resource enhancement, or other urban open space objectives. Other goals that grant recipients are expected to meet include providing technical assistance to interested groups, conducting conferences, assisting community groups, and preparing annual reports detailing their progress. In 2001-02, the grant went to the Urban Open Space Foundation (UOSF). Established in 1996, the UOSF promotes the goals of preserving and restoring natural and cultural features; increasing the role of citizens in open space acquisition, design, development, and

stewardship; and broadening public support for parks and natural areas.

Ice Age Trail Grant. Also established under 1999 Act 9 was a \$75,000 annual grant from the forestry account to a non-stock, non-profit corporation organized for the purposes of establishing, maintaining and promoting the Ice Age Trail. The corporation must provide \$25,000 in matching funds and submit an annual report to DNR and the Legislature detailing the activities for which the grant was expended. Grant recipients are further directed to support the work of volunteers who develop, maintain and promote the trail; to build partnerships for the trail with local units of government and non-profit organizations; promote the protection of a corridor for the trail through the acquisition of land and interests in land; strengthen community support for the trail by involving volunteers and interest groups; and promote tourism related to the trail. In addition, the corporation is required to submit an annual report detailing the purposes for which the grant was expended. In 2001-02, the grant went to the Ice Age Park and Trail Foundation, a Milwaukee-based volunteer organization with approximately 1,200 members in Wisconsin and 4,000 members nationwide.

Grants to Gathering Waters and the Natural Resource Foundation are also partially funded from the forestry account, but described under water resources account expenditures.

Wisconsin Conservation Corps (WCC). The WCC, which is attached to the Department of Workforce Development for administrative purposes, offers employment to young adults, ages 18 to 25. During the 1983-85 biennium, the WCC was entirely funded by the forestry account. Since then, the program has been supported from a variety of funding sources, including general purpose revenues (GPR), the forestry account, the fish and wildlife account, the water resources account, the environmental fund, the transportation fund, oil overcharge monies and in-kind services provided by state agencies and local governments on a contrac-

tual basis. The forestry account provides \$2,765,800, or approximately 86% of the administrative and worker salary costs of the WCC in 2002-03. It should be noted that support for approximately 26 WCC teams was eliminated under 2001 Act 16 (13 teams remain). All GPR funding previously provided to the program was deleted, and funding provided from the water resources account was eliminated beginning in 2002-03. Base level funding provided from the forestry account for this purpose was reduced by \$354,600 in 2001-02 and by \$718,300 in 2002-03.

Department of Agriculture, Trade, and Consumer Protection (DATCP). The forestry account provides funding for the gypsy moth program in DATCP. Gypsy moth eradication and monitoring programs have been conducted since 1971 in a cooperative effort between DATCP, DNR, the United States Department of Agriculture, local governments and private businesses. The gypsy moth is a leaf-eating pest of trees and shrubs. As a result, gypsy moth infestations can affect the forest products industry, the tourist industry and property values. Under 1999 Act 9, DATCP also received funding from the forestry account for plant protection activities, including nursery regulation and control of plant pests.

Environmental Education Board. 1997 Act 27 appropriated \$200,000 annually for the Wisconsin Environmental Education Board for grants for forestry-related environmental education programs. This amount was increased to \$400,000 annually under 2001 Act 16. The Board, a part of the University of Wisconsin System, is responsible for identifying needs and establishing priorities for environmental education in public schools. GPR and environmental fund revenues are also used to fund a portion of the grants. 1997 Act 237 further provided that up to 5% of the amount appropriated from the forestry account could be used for the costs of administering the grants.

State Historical Society. Funding was provided beginning in 1997 for a position for interpretative

programming at the Northern Great Lakes Visitor Center near Ashland in Bayfield County.

Kickapoo Reserve Management Board. 1997 Act 27 shifted base funding for the operations of the Kickapoo Reserve Management Board from the parks account to the forestry account. The eleven-member Board is administratively attached to the Department of Tourism, and sets policy and manages the state-owned land acquired from the federal government adjacent to the Kickapoo River to preserve and enhance its unique environmental, scenic and cultural features, to provide facilities for the use of visitors and to promote the reserve as a recreational site.

Department of Commerce. A forestry education grant program was created within Commerce in 1997 Act 27. Under this program, Commerce is authorized to make grants to nonprofit organizations to fund forestry education programs and instructional materials for K-12 classroom education in public schools.

Lower Wisconsin State Riverway Board (LWSRB). Prior to 1997 Act 27, the Lower Wisconsin State Riverway Board was funded with a combination of GPR and water resources account monies. That act shifted the GPR funding for the Board to the forestry account. The nine-member board is administratively attached to the Department of Tourism and is intended to preserve and protect the scenic beauty and natural character of the Lower Wisconsin State Riverway through controlled land use and development.

Forestry Cooperatives. Under 1999 Act 9, \$50,000 was provided annually to the University of Wisconsin – Madison Center for Cooperatives to award grants to persons in order to form forestry cooperatives that consist primarily of private, non-industrial forest owners.

Department of Forestry. As passed by the Legislature, the 2001-03 biennial budget would have created a separate Department of Forestry,

including all staff, funding, and responsibilities associated with the current Division of Forestry effective July 1, 2002. Under this provision, \$68.8 million and 614.57 staff would have been transferred from DNR to the new department to support forestry activity throughout the state (other than the operation of the southern forests, which would have remained under the oversight of DNR's Bureau of Parks). The Governor's partial

veto of 2001 Act 16 removed this provision; however, in doing so forestry funding for the 2002-03 fiscal year was also deleted. The Joint Committee on Finance acted to restore funding for forestry programs under its s. 13.10 authority in June, 2002.

Table 7 lists the expenditures from the forestry account for the 2001-03 biennium.

Table 7: Forestry Account Expenditures			
Expenditure Categories	2001-02 Actual	2002-03 Appropriated	2001-02 % of Total
Forestry Program Appropriations			
Northern Forest and Nursery Operations	\$35,499,400	\$35,795,400	46.1%
Southern Forest Operations	4,375,900	4,245,500	5.7
Stewardship Debt Service	4,901,900	4,000,000	6.4
FCL and MFL Aids	1,250,000	1,250,000	1.6
County Forest, FCL and MFL Aids	1,232,800	1,248,400	1.6
County Forest Loans	613,900	622,400	0.8
County Forest Project Loans	1,027,900	400,000	1.3
County Severance Payments	769,900	0	1.0
Urban Forestry, County Sustainable Forestry, and County Forest Administrator Grants	1,396,300	1,624,900	1.8
Fish, Wildlife and Forestry Recreation Aids	479,000	467,900	0.6
Recording Fees	68,800	50,000	0.1
Reforestation	162,000	100,000	0.2
Lake States Wood Utilization Consortium	14,100	0	0.0
Private Forest Grants	1,098,500	1,250,000	1.4
Fire Suppression Grants	277,200	448,000	0.4
Assistance for NCOs and Private Conservation	150,000	150,000	0.2
Rental Property Maintenance	76,200	0	0.1
Forestry Public Education	0	318,700	0.0
Forestry Education Curriculum	82,100	318,700	0.1
Split-Funded Appropriations			
Administration and Technology Division	\$7,214,700	\$7,066,100	9.4%
Customer Assistance and External Relations Division	3,009,800	2,680,000	3.9
Land Program Management	2,628,500	2,617,000	3.4
Facilities and Lands Operations	2,488,500	2,549,500	3.2
Resource Acquisition and Development	783,900	222,600	1.0
Integrated Science Services Operations	877,900	901,100	1.1
Aids in Lieu of Taxes	452,200	557,800	0.6
Administrative Facility Repair and Debt Service	685,900	676,300	0.9
Taxes and Assessments	5,800	99,000	0.0
Other Agency Appropriations			
Wisconsin Conservation Corps	\$3,313,600	\$2,765,800	4.3%
Agriculture, Trade and Consumer Protection	1,313,300	1,351,000	1.7
Environmental Education Board	189,800	400,000	0.2
State Historical Society	39,100	35,200	0.1
Kickapoo Reserve Management Board	412,500	428,200	0.5
Commerce	63,800	100,000	0.1
U.W. Forestry Cooperative	50,000	50,000	0.1
Lower Wisconsin State Riverway Board	<u>33,900</u>	<u>38,400</u>	<u>0.1</u>
TOTAL	\$77,039,100	\$74,827,900	100.0%

Parks Account

Revenue

Parks account revenues are generated primarily by motor vehicle admission fees to state parks and camping site fees. As shown in Appendix III, motor vehicle admission fees are higher for out-of-state than in-state vehicles. The annual admission fee for a second vehicle is one-half the regular price, if an individual or a member of the household owns a vehicle with a current annual admission sticker. No admission fee is required for any vehicle that transports a person with a senior citizen recreation card or a conservation patron license.

1997 Act 27 altered the fee structure for motor vehicle admission stickers. That act maintained all prior fees, but created an issuing fee within the overall price (50¢ for annual stickers and 15¢ for daily stickers) to allow the sale of park stickers through the Department's automated license issuance system. 2001 Act 16 increased park sticker and admittance fees as shown in Table 8.

Camping site fees are also a primary source of revenue to the account. Although the fees are established by statute, the properties to which the various fees apply are established by rule and are based, in part, on the types of conveniences offered at the campgrounds and the level of use. Site fees for nonresidents are higher than the site fees for residents. Appendix III identifies vehicle admission fees and camping fees assessed for use of state park and forest properties.

Revenue to the parks account is also derived from other charges, such as camping reservations, trail use fees, golfing at Peninsula State Park and swimming at Blue Mounds State Park. In addition, a portion of the revenue from the sale of patron licenses is deposited in the parks account to reflect

Table 8: State Park and Forest Admittance Fees

	Pre-2001	Current	Increase	
	Act 16 Fees	Fees	Amount	Percent
Resident annual	\$18	\$20	\$2	11%
Senior citizen annual	9	10	1	11
Additional annual*	9	10	1	11
Resident daily	5	5	0	0
Non-resident annual	25	30	5	20
Additional non-resident annual*	12.50	15	2.50	20
Non-resident daily	7	10	3	43

*Issues to an individual for a second vehicle if a full-price annual sticker has already been purchased.

the parks-related privileges granted to patron license holders (annual park admission sticker, trail pass and Heritage Hill State Park admission).

1995 Act 27 eliminated the requirement that state parks be funded equally from the parks account and the general fund. In 2002-03, state parks operations are budgeted 61.2% segregated revenues (SEG) from the parks account, 34.5% GPR, and 4.3% from tribal gaming revenues.

Table 9 identifies revenue to the parks account in the 2001-03 biennium.

Table 9: Parks Account Revenue

Revenue Sources	2001-02 Actual	2002-03 Estimate	2001-02 % of Total
Park Stickers	\$4,840,300	\$4,937,100	41.4
Campsite Fees	3,433,500	3,502,200	29.4
Conservation Patron Allocation	1,135,000	1,191,800	9.7
Golf Fees	240,600	240,600	2.1
Trail User Fees	510,200	520,400	4.3
Rents, Sales and Services	516,800	527,100	4.4
Tribal Gaming Transfer	1,000,000	718,000	8.6
Miscellaneous	<u>17,700</u>	<u>20,000</u>	<u>0.1</u>
TOTAL	\$11,694,100	\$11,657,200	100.0%

Expenditures

Currently, the Department's park staff operate 83 recreational properties open to the public, in-

cluding 45 state parks, 25 state trails, seven southern forests and five recreation areas. Appendix IV lists the state parks and recreation areas operated by DNR. In addition, some properties are owned by the state and operated by local units of government (such as Copper Culture State Park and Aztalan State Park) or nonprofit organizations (such as Heritage Hill State Park). Also, some properties have been designated by the Natural Resources Board, but are not developed or are under development and property operation remains largely unfunded with only limited services provided. Management of properties can also change over time. For example, under 1999 Act 9, the management of the Wisconsin Dells State Natural Area was transferred from the Bureau of Endangered Resources to the Bureau of Parks and Recreation. An estimated 14 million visitors enter the parks and southern forests annually.

The recreational properties managed by park staff contain 4,348 camp sites, 1,390 acres of picnic areas and 32 beaches. The state recreation system also includes an extensive network of trails, some of which are multiple-use: (a) 1,808 miles of hiking trails; (b) 1,579 miles of snowmobile trails; (c) 1,754 miles of bicycle trails (including 1,120 miles of off-road mountain bike trails); (d) 625 miles of groomed cross-country ski trails; (e) 607.4 miles of bridle trails; and (f) 235 miles of nature trails.

The operating costs for the parks system include staff costs for: (a) park managers, who supervise the daily operation of state parks; (b) park rangers, who are primarily responsible for enforcement and skilled maintenance activities; (c) park naturalists, who develop and present the educational programs offered at the parks; (d) clerical staff; and (e) maintenance personnel. Limited-term and seasonal employees are utilized extensively in the state park system. In addition, 1999 Act 9 provided one position to create an outdoor skills program targeted to urban families and other non-traditional outdoor recreation groups.

In December, 1999, the Joint Committee on Fi-

nance approved DNR's request for additional staffing for year-round parks operation. Expenditure authority was increased by \$903,600 in 2000-01. In addition, the Joint Committee on Finance authorized 14.0 SEG positions beginning in 1999-00 from the parks account for new positions at DNR properties, and 7.14 SEG positions to make 20 seasonal parks positions full-time.

Parks account funding is also provided for general program operations and administrative services in the Department of Tourism

The 1999-01 biennial budget appropriated \$1 million from the parks account in 2000-01 for the development of the Milwaukee Lakeshore State Park. Total funding allocated for the park under 1999 Act 9 was \$9.4 million, with \$2 million from federal transportation funds, \$2 million from the Warren Knowles-Gaylord Nelson Stewardship program, \$1 million from the parks account, and \$4.4 million from recreational boating.

In December, 2001, the Joint Committee on Finance approved the purchase of property for two new state parks to be developed in recognition of the 100th anniversary of the state parks system. The Capital Springs Centennial State Park and Recreation Area is located in Dane County, and includes 326 acres. The property borders an existing county park on Lake Waubesa, and connects to the 320-acre Nevin Springs fish and wildlife area. The Tommy G. Thompson State Park in Marinette County includes at least 2,200 acres of land on Caldron Falls flowage. DNR later agreed to purchase the remainder of the land surrounding the flowage from WPSC for the Peshtigo River state forest, and is considering expanding the acreage included in the state park. Operations funding of \$149,200 in 2001-02 and \$137,100 in 2002-03 with 3.0 staff were provided under 2001 Act 16 to provide a Department presence on the properties until management plans were completed and the parks opened for full public usage.

Directed Lapse to General Fund. In addition,

1999 Act 9 transferred \$1.13 million from the Parks account to the general fund (\$630,000 in 1999-00 and \$500,000 in 2000-01). Parks general operations annual appropriations of approximately \$5.0 million GPR and \$8.6 million SEG were not affected.

Under the 2001-03 biennial budget, \$1 million in 2001-02 and \$718,000 in 2002-03 in tribal gaming revenues was provided in one-time funding for the parks account. This was done in combination with a reduction in parks expenditures for administrative and customer-service related purposes to help balance the account.

Table 10 identifies expenditures from the parks account for the 2001-03 biennium.

Water Resources Account

Revenue

The main source of revenue to the water resources account, created in 1987 Act 27, is an annual transfer of motorboat fuel tax revenue into

the account. The amount of the transfer each fiscal year is calculated by multiplying the motor fuel tax on 50 gallons of gasoline on April 1 of the previous fiscal year by the number of motorboats registered as of January 1 of the previous fiscal year and then multiplying this result by 1.4. In 2002-03, DNR is expecting \$11,105,800 to be transferred to the water resources account under this formula (564,606 motorboats x 50 gallons per motorboat x 28.1¢ per gallon x 1.4).

Expenditures

Funding from the water resources account is used to support: (a) development of state and local recreational boating facilities; (b) lake and river management activities and grant programs; (c) dam inspection and safety; and (d) operation and management of the Fox River.

Recreational Boating Projects. Under this program, the Department provides grants to municipalities, counties, town sanitary districts, public inland lake protection and rehabilitation districts, qualified lake associations, the Milwaukee River Revitalization Council, the Lower Wisconsin State Riverway Board and the Fox River Management

Table 10: Parks Account Expenditures

Expenditure Categories	2001-02 Actual	2002-03 Appropriated	2001-02 % of Total
Parks and Recreation Program Operations	\$9,857,300	\$9,799,800	81.4%
Split-Funded Appropriations			
Administration and Technology Division	\$832,500	\$1,011,500	6.9%
Facilities and Lands Operations	25,000	26,200	0.2
Customer Assistance and External Relations Division	285,500	270,900	2.4
Land Program Management	95,900	0	0.8
Administrative Facility Repair and Debt Service	69,100	90,500	0.6
Integrated Science Services Operations	53,200	54,600	0.4
Taxes and Assessments	56,800	99,000	0.4
Aids in Lieu of Taxes	21,800	17,400	0.2
Resource Acquisition and Development	761,900	44,100	6.3
Other Agency Appropriations			
Tourism	<u>\$49,000</u>	<u>\$49,100</u>	<u>0.4%</u>
TOTAL	\$12,108,000	\$11,463,100	100.0%

Commission for up to 50% of the costs of developing recreational boating facilities approved by the Waterways Commission. A grant may be used to support up to 60% of project costs if the sponsor conducts a boating safety enforcement and education program approved by DNR. Feasibility studies, which are eligible for state cost-sharing, must be completed for any project before it is assigned to a priority list.

1997 Act 27 provided DNR with the authority to provide grants for up to 80% of the costs of developing recreational boating facilities (and up to 90% if the sponsor conducts a boating safety program) if the project is deemed to be of regional or statewide importance by the Waterways Commission. The Department was required to promulgate rules to define regional and statewide significance. After a public review and comment period, the Natural Resources Board approved a draft of the rules at their December 6, 2000, meeting. The proposed rules were then submitted to the Legislature for consideration, who returned them to the DNR for further consideration in the spring of 2001. In March, 2002, the Natural Resources Board passed the final rule. Under administrative rule, "statewide significance" would be determined by the Waterways Commission based on the following criteria.

For projects located on lakes or flowages, all of the following criteria must be met: (a) the lake must be at least 1,000 surface acres in size, or the project must be located on Lake Superior or Lake Michigan; (b) the site must have (or will have as a result of the project) a boat launching facility protected by a breakwater structure; and (c) the project must be located on a lake or flowage that has the minimum number of car-trailer unit parking spaces (or will have the minimum number of spaces as a result of the project) required under s. NR 1.91. For projects located on rivers, the project must meet all of the following criteria: (a) it must be located on the Mississippi River; (b) it must provide motorized boating access to a river at a site that is more than 10 miles from another motorized boating ac-

cess site; and (c) the project must provide a minimum 15 car-trailer unit parking spaces at the site.

The following restrictions apply to the distribution of grants: (a) no more than 10% of state funding may be expended for feasibility studies in any year, and no more than 1% may be provided for any one feasibility study; (b) at least 40% of state funding must be expended for Great Lakes projects, 40% must be expended for inland lakes projects and 20% may be expended for projects deemed necessary by the Waterways Commission without regard to location; and (c) no state funds may be used for the acquisition of land or for the construction of berths, with a specific exception provided in 1997 Act 27 for the acquisition of land for a Lake Superior harbor of refuge. 1999 Act 9 repealed the provision on January 1, 2000, that would have allowed DNR (with the approval of the Waterways Commission) to pay up to 100% of the eligible costs for the harbor of refuge on the Lake Superior shoreline.

Several projects were earmarked to receive recreational boating project aids in 2001 Act 16. They include: (a) \$340,000 in 2001-02 to the City of Manitowoc for dredging the area of the Manitowoc River where the submarine U.S.S. Cobia is moored; (b) \$250,000 in the 2001-03 biennium to the City of Janesville for development of a riverfront parkway that includes the development of a marina with a boat launch and transient boat slips; and (c) \$350,000 annually during the 2001-03 biennium only for the renovation and repair of the Portage Canal. No local match was required for these earmarked projects.

The Waterways Commission is a five-member board appointed by the Governor with the advice and consent of the Senate for staggered, five-year terms. The Commission is attached to DNR and is comprised of the following members: (a) one resident of the Lake Superior area; (b) one resident of the Lake Michigan area; (c) one resident of the Mississippi River area; (d) one resident of the Lake Winnebago watershed area; and (e) one resident

from the inland area of the state. Each member must be able to assess the recreational water use problems in his or her geographical area of the state. The Waterways Commission approves recreational boating projects found to be feasible by the DNR and supported by the local unit of government or qualified sponsor.

Lake and River Management. The water resources account supports Department staff who provide technical and educational assistance to local governments, including public inland lake rehabilitation districts and lake and river associations. In addition, funding is used to conduct diagnostic studies, support demonstration projects and develop and distribute information on lakes and river management to lake districts and waterfront property owners.

Lake Protection Grant Program. Under 1999 Act 9, funding for lake management and classification grants was merged with lake planning grants to form the consolidated lake protection grant program.

Lake protection grants may be awarded for a variety of purposes, including management projects that will improve or protect the quality of water in lakes, flowages, or natural lake ecosystems. A grant for a lake management project may be made for up to 75% of the cost of the project up to \$200,000 per grant. Counties, municipalities, nonprofit conservation organizations, qualified lake associations, town sanitary districts, certain school districts, and public inland lake protection and rehabilitation districts are all eligible to apply for grants for lake management projects. Eligible activities include: (a) the purchase of land or conservation easements (if the purchase will substantially contribute to the protection or improvement of a lake or natural lake ecosystem's water quality); (b) wetland restoration; (c) restoration of shoreline habitat; (d) development of local regulations or ordinances that will protect or improve the water quality of a lake or natural lake ecosystem; and (e) an activity that is approved by the DNR, and that is

needed to implement a recommendation made as a result of a plan to improve or protect the quality of water in a lake or natural lake ecosystem. The Natural Resources Board is expected to consider NR191 at its January, 2003, meeting. If approved, NR191 would set the minimum allowable membership fee for a qualified lake association to be \$5 annually, and the maximum to be \$50 annually.

Lake protection grants may also include lake classification activities for: (a) lake classification project grants of up to \$50,000 per county for up to 75% of the costs for the development and implementation of lake classification and subsequent protection programs; and (b) lake classification technical assistance grants of up to \$200,000 to nonprofit corporations to provide educational and technical assistance to local units of government and lake management organizations that will participate in a lake classification project.

Finally, DNR may distribute grants for lake planning projects. Examples of eligible activities include data collection, mapping, water quality assessment, nonpoint source pollution evaluation, management strategy development and other projects that would provide baseline information on the status of lakes. Grants may support up to 75% of the project costs, with a maximum award of \$10,000.

River Protection Grant Program. A river protection grant program was created in 1999 Act 9 and funded at \$300,000 annually. The program is split funded, with \$150,000 annually appropriated from both the water resources account of the conservation fund and the nonpoint account of the environmental fund. Any unencumbered funding in the river protection grants appropriation at the end of each fiscal year is transferred to the lake protection grant appropriation.

DNR distributes river protection grants to improve or protect the quality of water in rivers, streams and flowages. These grants are limited to 75% of project costs, up to \$50,000 per grant for

management projects and \$10,000 per grant for planning projects. Eligible grant recipients include counties, cities, towns, villages, qualified lake or river associations, town sanitary districts, public inland lake districts, nonprofit conservation organizations and other local governmental units that are established for the purpose of lake or river management. Grants under this program may be used for activities that contribute to the protection or improvement of a river's water quality or its natural ecosystem. Eligible management activities include: (a) purchase of land or conservation easements; (b) restoration of wetlands, in-stream, or shoreline habitat; (c) development of local regulations or ordinances; (d) installation of pollution control practices; and (e) other activities as determined by DNR. Eligible planning activities include: (a) data collection; (b) assessments of water quality, fish, aquatic life, and habitat; (c) assessments of the uses of a river and surrounding land; (d) non-point source pollution evaluation; (e) programs and materials to assist in forming river management organizations; and (f) informational or educational materials that address protection of rivers, their uses, and improvements to river habitat.

Dam Safety Program. At least once every 10 years, DNR is required to inspect each large dam that is maintained or operated across navigable waters. In addition, DNR administers the municipal dam safety grant program. This program provides grants to counties, cities, villages, towns and public inland lake protection and rehabilitation districts. To qualify for a grant, the locality must own a dam that has been inspected by DNR and be under a DNR directive to repair or remove the dam. The program provides 50% matching grants with a limit of \$200,000 per project. 1999 Act 9 allows DNR to provide financial assistance for an activity other than the maintenance, repair, modification, abandonment, or removal of a dam if the activity would improve the safety of the dam, and cost less than the aforementioned options. This provision is intended to allow for the removal of homes or other structures in the floodway to re-

duce the dam's hazard rating, if this is a more cost-effective alternative than repair or removal.

Dam Safety Debt Service. The Legislature created the municipal dam safety program in the 1989-91 biennial budget and authorized \$2.5 million in bonding revenues for dam safety grants. A total of \$11.85 million in bonding has been authorized by the Legislature for this program. Through January 1, 2003, 90 grants were awarded through the dam safety program. Currently, all available funds under this program have been committed.

Debt retirement costs on \$5.5 million (46%) of program bonds is funded with general-purpose revenues. The debt service on the remaining \$6,350,000 (54%) is funded from the water resources account.

State Boat Access Sites. The Department is budgeted water resources account funds for state-owned facilities. DNR is appropriated \$300,000 annually to fund the development of state-owned boating facilities, of which at least \$100,000 must be used for facilities located in a sixteen-county region in southeastern Wisconsin.

Fox River Management. The water resources account is used to partially fund the costs of operating, managing, and repairing the locks, harbors, property, structures, and facilities on or near the Fox River between Green Bay and Lake Winnebago. This activity is also supported from user fees and donations. Local governments must match state funding by contributing cash or in-kind services on a 50% cost-sharing basis. In September, 2000, Governor Thompson signed an agreement with the United States Army Corps of Engineers to transfer ownership of the Fox River Locks from the federal government to the state. Pending approval by the United States Congress, restoration work will be undertaken to restore the function of the Locks system. The restoration required to make the Fox River lock system navigable is estimated at \$20 million. As part of the transfer agreement, the Army Corps of Engineers will pay the State of Wis-

consin \$15 million to help maintain and restore the locks system. To date, the federal government has not provided the agreed upon funding, and the state has not taken ownership of the locks system.

Assistance for Private Conservation Activity. The Department may provide an annual grant to a Wisconsin-based nonstock, nonprofit corporation. The nonprofit corporation is required to meet all of the following requirements to be eligible for the grant: (a) have an exemption from the federal income tax; (b) provide support to non-profit conservation organizations (NCOs); (c) have a board of directors that has a majority of members who are representatives of NCOs; and (d) provide \$25,000 to be used with the grant.

Beginning in 1996-97, a grant of \$75,000 from the water resources account was awarded to Gathering Waters, Inc. According to their mission statement, Gathering Waters is formed to serve as an informational clearinghouse and technical assistance center to aid individuals and NCOs in preserving, protecting and enhancing the ecological integrity of Wisconsin's land and water. In accordance with statute, the group: (a) assists in establishing new NCOs; (b) sponsors conferences and other educational programs; (c) publishes a newsletter; and (d) provides technical assistance on such issues as incorporation, organizational development, real estate transactions and land protection options.

The 1999-01 biennial budget increased the amount available for the grant to \$150,000 annually (with the \$75,000 increase split funded evenly between the water resources and forestry accounts) and requires the corporation to submit an annual report to the DNR and the appropriate standing committees of the Legislature detailing the activities for which the grant was expended. In addition, it specifies that the board of directors of the corporation receiving the award should, to the greatest extent practicable, represent all geographic areas of the state. The corporation is also directed to assist non-profit conservation organizations (NCOs) in

acquiring and managing property for conservation purposes, and to acquire a property for conservation purposes where no other NCO exists that is willing or capable to purchase or manage this property. Finally, the DNR was required to submit a report during the last half of fiscal year 2004 describing the cost and accomplishments of the program. The \$150,000 grant has again been awarded to Gathering Waters for 2001-02.

In addition, the 1999-01 biennial budget provides \$75,000 annually for one or more contracts to non-stock, nonprofit corporations that provide organizational and technical assistance to community-based river protection groups. The corporation is expected to provide support to nonprofit conservation organizations; maintain a board of directors, the majority of which are representatives from nonprofit conservation organizations; and contribute \$1 for each \$3 in state grant funds. The corporation is further required to assist in the establishment of nonprofit conservation organizations and provide technical assistance to these groups, as well as conducting conferences on these topics. Two contracts were awarded in 2001-02, to the Wisconsin Association of Lakes and to the River Alliance.

The 1999-01 biennial budget also provides an annual grant of \$85,000 split funded evenly between the forestry and water resources account of the conservation fund for a non-stock, non-profit corporation that meets the following requirements: (a) the criteria under section 501(c)(3) or (4) of the Internal Revenue Code; (b) is organized in the state; (c) is exempt from taxation under section 501 (a) of the Internal Revenue Code; and (d) is created to accept and utilize private contributions made to protect and enhance the state's natural resources. It further specified that the corporation receiving the grant must use it to do the following: (a) encourage private corporations and entities to undertake activities, including the contribution of money, that encourage management and restoration of the state's endangered wild animals, wild plants, and natural communities; (b) encourage these same

entities to engage in land management practices that protect and preserve natural resources; and (c) provide grants to non-profit and other groups to encourage education, restoration, and management activities to enhance the state's natural resources. In 2001-02, the grant was awarded to the Natural Resources Foundation of Wisconsin (NRF). The Natural Resources Foundation was formed in 1986 as a fundraising entity to work with the DNR as a conduit for private contributions to the agency. Currently, NRF has 18 directors and over 1,000 members.

Mississippi and St. Croix River Management. Funding is provided for habitat and recreational projects and for environmental and resource management studies on the Mississippi and Lower St. Croix Rivers.

Wisconsin Conservation Corps. Funds were provided from the water resources account for waterfront projects determined to be appropriate by the WCC in 2001-02. However, under 2001 Act 16, funding for WCC was reduced, and the amount received from the water resources account eliminated beginning in 2002-03.

Lower Wisconsin State Riverway Board (LWSRB). The water resources account also provides funds for the LWSRB, which is intended to preserve and protect the scenic beauty and natural character of the Lower Wisconsin State Riverway through controlled land use and development.

The Minnesota-Wisconsin Boundary Area Commission previously received funding from the water resources account. However, Wisconsin withdrew from the Commission under 2001 Act 16, the associated funding was deleted. Due to the timing of the passage of the 2001-03 budget, some costs were incurred related to the disbanding of the Commission in 2001-02.

Table 11 identifies 2001-02 and 2002-03 revenues and expenditures from the water resources account.

Snowmobile Account

The Department administers a snowmobile recreation program to develop and maintain a state-wide system of snowmobile trails and administer and enforce snowmobile laws. Unlike the other accounts in the conservation fund, which were administratively created by the agency, the snowmobile account is statutorily designated to ensure that certain revenues are utilized for specific purposes.

The Snowmobile Recreational Council provides recommendations to DNR and elected officials on matters related to snowmobile policy. The Council consists of 15 members appointed by the Governor with the advice and consent of the Senate for staggered, three-year terms. Under statute, at least five members of the council shall be from the territory north, and at least five members shall be from the territory south, of a line running east and west through the southern limits of the City of Stevens Point.

Revenue

The major source of revenue to the snowmobile account is the snowmobile fuel tax revenue transferred to the account. An appropriation is made annually, which equals the amount of motor fuel tax assessed on 50 gallons of gasoline as of the last day of February of the previous fiscal year multiplied by the number of registered snowmobiles as of the same date, with this result multiplied by 1.4. The transfer for 2002-03, which will be made available for trail aids under the formula, is expected to total \$4,395,500. This total is based on the number of snowmobiles registered on February 28, 2002, and the motor fuel tax rate as of that date (230,008 snowmobiles x 50 gallons per snowmobile x 27.3¢ per gallon x 1.4).

Table 11: Water Resources Account Revenue and Expenditures

	2001-02 Actual	2002-03 Appropriated	2001-02 % of Total
Revenue Sources			
Fuel Tax Transfer	\$10,755,900	\$11,107,000	95.8%
Investment Income	<u>471,100</u>	<u>503,400</u>	<u>4.2</u>
TOTAL	\$11,227,000	\$11,610,400	100.0%
Expenditure Categories			
Water Resources Program Appropriations			
Recreational Boating Projects	\$2,970,300	\$4,547,000	26.3%
Lake and River Management	2,549,700	2,636,900	22.5
Lake Protection Grant Program	3,090,600	2,675,400	27.3
River Protection Grant Program	220,800	225,000	2.0
Dam Safety and Wetland Mapping	510,100	501,700	4.5
Dam Safety Grants Debt Service	298,600	387,700	2.6
State Boat Access Sites	96,800	200,000	0.9
State Boat Access Sites to Southeastern Lakes	15,300	100,000	0.1
Fox River Management	36,700	0	0.3
Assistance for Private Conservation Activity	155,000	155,000	1.4
Mississippi and St. Croix Rivers Management	106,300	62,500	0.9
Water Program Operations	\$111,000	0	1.0
Split-Funded Appropriations			
Administration and Technology Division	\$396,800	\$389,200	3.5%
Customer Assistance and External Relations Division	341,400	256,000	3.0
Integrated Science Services Operations	110,700	129,800	1.0
Administrative Facility Repair and Debt Service	19,200	12,400	0.2
Other Agency Appropriations			
MN-WI Boundary Area Commission	\$31,500	\$0	0.3%
Wisconsin Conservation Corps	143,700	0	1.3
Lower Wisconsin State Riverway Board	101,600	115,400	0.9
Fox River Navigational System Authority	<u>0</u>	<u>126,700</u>	<u>0.0</u>
TOTAL	\$11,306,100	\$12,520,700	100.0%

The next largest revenue source for the account is registration fees. A fee of \$30 (increased from \$20 under 2001 Act 16) is assessed for each snowmobile registered for general use in the state. The registration is valid for two years. Snowmobiles registered in other states or countries need not be registered in Wisconsin if they are in the state for a period of less than 15 consecutive days. Other fees are charged for registering public use, commercial use and antique snowmobiles.

A nonresident snowmobile trail use sticker requirement was created in 1997 Act 27 as a new source of revenue to the snowmobile account.

Snowmobiles not registered in Wisconsin are required to display an annual trail use sticker to use public snowmobile corridors beginning with the winter of 1998-99. The fee for the annual sticker, originally set at \$10, was increased to \$13 in 1997 Act 237 and to \$18 under 2001 Act 16. Approximately 36,600 stickers were sold in 2001-02.

In addition, the snowmobile program also receives revenues from: (a) registration transfer fees; (b) instruction fees paid by persons enrolled in snowmobile safety courses; and (c) 1% of the total sales tax receipts the Department collects from

people who have purchased snowmobiles and who have not provided proof that a sales tax was paid (which is required before the vehicle can be registered).

Table 12 identifies revenue to the snowmobile account in 2001-02 and 2002-03.

Table 12: Snowmobile Account Revenue

Revenue Sources	2001-02 Actual	2002-3 Estimate	2001-2 % of Total
Fuel Tax Transfer	\$4,497,700	\$4,722,600	46.4%
Registration Fees	4,296,800	4,296,800	44.4
Investment Income	112,600	150,000	1.2
Registration Transfers	110,600	132,100	1.1
Miscellaneous	28,400	6,900	0.3
Nonresident Trail Pass	<u>640,200</u>	<u>650,000</u>	<u>6.6</u>
TOTAL	\$9,686,300	\$9,958,400	100.0%

Expenditures

Snowmobile Trail and Project Aids. The Department distributes aids to participating counties for the maintenance, development and acquisition of land to support 17,970 miles of interconnecting snowmobile trails throughout the state. Generally, these aids are provided to counties at 100% of eligible costs. The counties either develop and maintain local trails, or, more typically, redistribute aid to local snowmobile clubs that do the maintenance and development projects. DNR also funds the maintenance and development of 1,579 miles of snowmobile trails on state park, trail, recreation area, and forest lands.

County expenditures eligible for state aid (listed in priority order) are as follows: (a) maintenance of existing approved trails, up to a maximum of \$250 per mile per year; (b) club signing programs; (c) bridge rehabilitation; (d) municipal route signing; (e) trail rehabilitation; and (f) development of new trails.

In addition, a county or DNR is eligible for supplemental trail aid payments if actual eligible costs

exceed the maximum of \$250 and, of the costs incurred, actual trail grooming costs exceed \$130 per mile per year. Since fiscal year 1991-92, supplemental trail aids have been funded from the 40% multiplier to the snowmobile fuel tax transfer formula. Further, beginning in 2001-02, \$15 from each \$18 non-resident trail pass stickers sold in the prior year is also available for this purpose. If the supplemental aid payable to counties exceeds funding available from the multiplier, the Department may either prorate payments or request that the Joint Committee on Finance take action to provide additional funding from the snowmobile account for supplemental payments.

Table 13 provides a history of supplemental trail aid payments since the 40% multiplier was designated as a funding source. The table shows the total amount requested by counties, the amount paid in supplemental aids and the level of proration. Supplemental payments for a snowmobile season are paid in the following fiscal year.

Table 13: Supplemental Snowmobile Trail Maintenance Payments

Snowmobile Season	Total Request	Total Payment	Percent of Request Paid
1990-91	\$351,800	\$351,800	100.0%
1991-92	923,000	701,500	76.0
1992-93	983,900	724,600	73.6
1993-94	889,800	838,400	94.2
1994-95	477,700	477,700	100.0
1995-96*	1,925,500	1,116,200	58.0
1996-97*	2,130,000	1,642,300	77.1
1997-98	731,000	731,000	100.0
1998-99*	1,202,800	1,202,800	100.0
1999-00*	1,514,105	1,514,105	100.0
2000-01*	2,770,200	2,770,200	100.0
2001-02	591,000	591,000	100.0

*Payments for these seasons were supplemented through action by the Joint Committee on Finance.

County Enforcement Aids. The Department provides aids to counties for up to 100% of eligible county costs of enforcing snowmobile laws. Aid payments can be prorated if claims exceed the

appropriation level. For enforcement activities that occurred over the winter of 2001-02, 58 counties requested reimbursements totaling \$252,700, which represented 100% of the eligible costs of their local snowmobile patrol activities. Expenditures of \$399,200 in fiscal year 2001-02 provided payments to counties for enforcement work completed over the winter of 2001. Base funding for county enforcement aids was increased from \$200,000 to \$400,000 annually under 2001 Act 16.

State Enforcement and Safety Training. DNR is responsible for state enforcement of snowmobile laws by DNR conservation wardens and coordination of snowmobile safety programs. In 2001-02, the Department's wardens logged 13,700 hours on snowmobile-related safety and enforcement and issued 1,301 snowmobile citations.

The Department is also responsible for coordinating snowmobile safety courses taught by instructors certified by DNR. 1999 Act 9 created a requirement that effective January 1, 2001, any person born after January 1, 1985, must hold a valid snowmobile safety certificate in order to operate a snowmobile. In 2001-02, 9,323 people received certificates upon successfully completing one of the snowmobiling safety courses offered throughout the state.

Table 14 identifies expenditures from the snowmobile account for the 2001-03 biennium.

Table 14: Snowmobile Account Expenditures

Expenditure Categories	2001-02 Actual	2002-03 Appropriated	2001-02 % of Total
Local Snowmobile Trail and Project Aids	\$8,283,700	\$9,091,800	88.6%
Customer Assistance and External Relations Division	454,300	407,900	4.9
County Enforcement Aids	399,200	400,000	4.3
Administration and Technology Division	28,800	26,400	0.3
State Enforcement and Safety Training	67,000	102,000	0.7
State Snowmobile Trails and Areas	107,000	84,400	1.1
Administrative Facility Repair and Debt Service	<u>8,800</u>	<u>14,400</u>	<u>0.1</u>
TOTAL	\$9,348,800	\$10,126,900	100.0%

registration fees has been limited to boating safety and law enforcement purposes by court interpretation of this constitutional provision.

Revenue

The primary source of revenue deposited in the boat registration account is the registration fee collected for all motorized boats and sailboats over twelve feet in length operated on state waters. Motorized boat registration fees vary according to boat length. These fees are shown in Appendix V. Beginning in 2000, all boat registrations are valid for a period of up to three years, beginning on April 1 of the year in which the registration is issued and ending on March 31 of the third year after issuance.

Other sources of revenue to the boat registration account include: (a) boat titling and lien fees; (b) fees paid by people enrolled in boat safety programs; and (c) 1% of the sales tax revenue the Department collects from people who have purchased boats and have not provided proof that a sales tax was paid (which is required before the boat can be registered).

Table 15 identifies revenue to the boat registration account for the 2001-03 biennium.

Boat Registration Account

Article IX of the Wisconsin Constitution specifies that the state's navigable waters "shall be common highways and forever free" to Wisconsin and U.S. citizens "without any tax, impost, or duty therefore." As a result, the use of revenue from boat

Table 15: Boat Registration Account Revenue

Revenue Sources	2001-02 Actual	2002-03 Estimate	2001-02 % of Total
Motorized Boat Registrations (Under 16 Feet)	\$462,600	\$2,660,100	25.7%
Motorized Boat Registrations (16 to 26 Feet)	647,400	3,199,300	35.9
Motorized Boat Registrations (26 to 40 Feet)	55,300	220,100	3.1
Motorized Boat Registrations (Over 40 Feet)	10,600	37,400	0.6
Motorized Fleet Registrations	12,200	80,000	0.7
Other Registration Fees	182,100	150,000	10.1
Nonmotorized Boat Registrations	11,900	70,000	0.7
Boat Title and Lien Fees	233,900	230,000	12.9
Miscellaneous	<u>187,000</u>	<u>380,000</u>	<u>10.3</u>
TOTAL	\$1,803,000	\$7,026,900	100.0%

Table 16: Boat Registration Account Expenditures

Expenditure Categories	2001-02 Actual	2002-03 Appropriated	2001-02 % of Total
State Boating Enforcement and Safety	\$2,286,000	\$2,293,800	40.5%
Customer Assistance and External Relations Division	1,387,300	1,213,000	24.6
Boating Enforcement Aids	1,400,000	1,400,000	24.8
Administration and Technology Division	412,900	361,300	7.3
Administrative Facility Repair and Debt Service	30,300	30,500	0.5
Boating Enforcement General Operations	80,000	72,000	1.4
Education and Safety	<u>48,400</u>	<u>174,700</u>	<u>0.9</u>
TOTAL	\$5,644,900	\$5,545,300	100.0%

Expenditures

Boating account revenues are used to fund: (a) state costs of boating law enforcement by DNR conservation wardens and of administration of boating safety programs, and (b) aids to municipalities for up to 75% of the costs of local boating law enforcement and safety programs.

Boating Enforcement and Safety Training. The Department utilizes conservation wardens to enforce the state's boating and related safety laws.

During 2001-02, conservation wardens recorded 37,600 hours on this activity and issued 4,496 citations for boating-related violations. Funds from the boat registration account also support (in conjunction with the snowmobile and ATV accounts) an integrated on-line boat, snowmobile, and ATV registration processing system. The Department's safety training program disseminates boating safety information and administers a statewide program of safety courses conducted by local instructors trained, certified and supervised by DNR conservation wardens. The course material presented covers general boating laws and safety tips for the operation of all types of watercraft. The statutes require that youth between the ages of 12 and 16 take the course and obtain a certificate in order to operate a motorized boat without the supervision of an adult. The courses are open, however, to anyone wishing to enroll. In 2001-02, 8,243 people received certificates upon successfully completing one of the boat safety courses offered throughout the state.

Boating Enforcement Aids to Municipalities. The Department distributes aids to municipalities for the costs of local boating law enforcement, search and rescue, and safety activities. Municipalities are eligible for up to 75% of their approved costs, but aid payments are prorated if claims exceed the appropriation level. No municipality may receive aid amounting to more than 20% of the funds available. For enforcement activities that occurred in 2001-02, 106 municipalities received reimbursements totaling nearly \$1.4 million, which represented 70.2% of the eligible costs of their local water patrol activities. Under 2001 Act 16, available funding for boating enforcement aids was increased from \$1.1 million to \$1.4 million annually.

Table 16 identifies expenditures from the boat registration account for the 2001-03 biennium.

All-Terrain Vehicle Account

The Department administers a state recreational program for all-terrain vehicles (ATVs).

Revenue

The main source of revenue to the ATV account is from ATV registrations. An ATV may not be operated in the state unless it is registered with DNR, subject to certain exceptions. The registration fees are \$12 for a public operation permit, which is valid for a two-year period, and \$6 for a private operation permit, which is valid until the ownership of the vehicle is transferred. In addition, a commercial ATV registration fee of \$36 is required.

Revenue is also derived from a transfer of ATV fuel tax revenue to the account. The transfer is made annually, which equals the number of registered ATVs as of the last day of February of the previous fiscal year multiplied by the amount of motor fuel tax assessed on 25 gallons of gasoline as of that date. For 2002-03, \$1,081,400 from this transfer will be available for the ATV account, based on the number of ATVs registered for public use on February 28, 2002, and the motor fuel tax rate as of that date (158,449 ATVs x 25 gallons per ATV x 27.3¢ per gallon).

Other sources of revenue to the account include: (a) ATV safety certificate fees, and (b) 1% of the total sales tax revenue DNR collects from people who have purchased ATVs and have not provided proof that a sales tax was paid (which is required before the vehicle can be registered).

Table 17 shows 2001-02 actual and 2002-03 estimated revenue to the all-terrain vehicle account.

Expenditures

Local and State ATV Trail and Project Aids. Towns, villages, cities, counties and federal

Table 17: All-Terrain Vehicle Account Revenue

Revenue Sources	2001-02 Actual	2002-03 Estimate	2001-02 % of Total
ATV Registrations	\$1,251,900	\$1,377,000	55.2%
Fuel Tax Transfer	948,900	1,103,600	41.9
Miscellaneous	65,100	61,500	2.9
TOTAL	\$2,265,900	\$2,542,100	100.0%

agencies can receive grant funding from the ATV account for any of the following types of ATV projects: (a) land or easement acquisition; (b) ATV facilities (such as parking areas, riding areas and shelters); (c) development and maintenance of ATV trails; (d) purchase of liability insurance; and (e) signs briefly explaining the law related to intoxicated operation of ATVs. In addition to local aids, funding is also provided from the ATV account for the same acquisition, development and maintenance projects on state-owned ATV areas and trails.

State Enforcement and Safety Training. Part of the workload of conservation wardens is the enforcement of state ATV laws. During 2001-02, wardens recorded 7,492 hours on ATV-related law enforcement and safety activities and issued 1,112 citations for violations related to ATVs. The Department's safety training program disseminates ATV safety information and administers a state-wide program of safety courses conducted by local instructors who are trained, certified and supervised by DNR conservation wardens. The course material presented covers general ATV laws and safety tips for the operation of all ATVs. The statutes require that youth between the ages of 12 and 16 take the course and obtain a certificate in order to operate an ATV without the supervision of an adult. The courses are open, however, to anyone wishing to enroll. In 2001-02, 4,920 people received certificates upon successfully completing one of the ATV safety courses offered throughout the state.

County Enforcement Aids. The Department also distributes aids to counties for the costs of local patrol units charged with ATV law

enforcement. Counties may receive up to 100 percent of eligible costs, but aid payments can be prorated if claims exceed the appropriation level. For enforcement activities that occurred in 2001-02, 19 counties applied for reimbursements totaling \$117,700, and received payments totaling \$70,000 (which represented 59.4% of the eligible costs of their local ATV patrol activities).

Summaries of 2001-03 biennial expenditures from the all-terrain vehicle account are presented in Table 18.

Table 18: All-Terrain Vehicle Account Expenditures

Expenditure Categories	2001-02 Actual	2002-03 Appropriated	2001-02 % of Total
Local ATV Trail and Project Aids	\$1,448,200	\$1,609,100	55.7%
State ATV Trail and Project Aids	160,000	160,000	6.2
State Enforcement and Safety Training	423,500	430,800	16.3
ATV Safety Program	184,000	250,000	7.0
Customer Assistance and External Relations Division	245,000	223,700	9.4
County Enforcement Aids	66,400	70,000	2.6
Administration and Technology Division	69,500	33,000	2.7
Administrative Facility Repair and Debt Service	<u>3,100</u>	<u>2,700</u>	<u>0.1</u>
TOTAL	\$2,599,700	\$2,779,300	100.0%

Endangered Resources Account

Revenue

A voluntary income tax check-off program was created in 1983 to support DNR's endangered resources protection program. Individual income taxpayers can donate a portion of their tax refund or, if taxes are due, include an additional amount with their tax payment for the endangered resources program. Beginning with tax year 2001,

corporate income taxpayers are also be allowed to participate in the check-off program. After deducting the costs it incurs for collecting the donated amounts, the Department of Revenue forwards the check-off revenue to DNR for deposit in the conservation fund.

For tax year 2001, state taxpayers submitted a total of approximately 2,715,600 tax returns to the Department of Revenue, of which approximately 46,400 (1.7%) included amounts designated for the endangered resources program. The tax check-off brought in a total of approximately \$690,600 to the program, with an average donation of \$14.90 per return. In addition, tax check-off revenues of up to \$475,000 annually are matched by an equal amount of general purpose revenues (GPR) made available to the program. Check-off revenues had previously been matched up to \$500,000, however, the GPR match was reduced under 2001 Act 109 across-the-board budget reductions.

1993 Act 415 created an endangered resources license plate (depicting a timber wolf and rising moon) that was available starting January 1, 1995. The \$25 additional annual fee required to buy the plate is credited to the account. In 2001-02, 25,050 endangered resources license plates generated \$626,200, bringing the total revenue generated by plate sales since their introduction to over \$4.3 million.

In addition to revenue from the tax check-off and the license plate, all revenue collected from the sale of resident wild ginseng harvest and Class A resident wild ginseng dealer licenses is deposited to the endangered resources account.

Expenditures

The endangered resources account supports staff in the Bureau of Endangered Resources, who coordinate research, survey and habitat projects and manage state natural areas. Examples of these projects include implementing a habitat conservation plan for the Karner Blue butterfly, devising a

management plan for timber wolf in the state, and monitoring nesting boxes for peregrine falcons. Also, DNR has successfully reintroduced trumpeter swans to Wisconsin, and the bald eagle was removed from the state's endangered species list in 1997. Funds from tribal gaming program revenue were allocated in the 1999-01 biennial budget to fund a 0.5 wildlife biologist position for work related to the reintroduction of the whooping crane to Wisconsin. Wildlife officials on the Joint U.S./Canada Whooping Crane Recovery Team designated central Wisconsin (in the vicinity of the Necedah National Wildlife Refuge) be the site for reintroduction of a migratory flock of the endangered whooping crane. A migration of whooping cranes led by an ultralight aircraft from the Necedah National Wildlife Refuge to the Gulf Coast of Florida has been completed in both the fall of 2001 and 2002. Under 2001 Act 16, an additional \$37,600 in 2001-02 and \$43,500 in 2002-03 with 0.5 position was provided from the fish and wildlife account to increase efforts related to the reintroduction of the whooping crane.

Although the agency may expend all monies it receives from the endangered resources tax check-off and sales of the endangered resources license plate, the statutes require that 3% of this amount in any fiscal year, not to exceed \$100,000, be allocated for endangered wildlife damage control and payments of claims for damage associated with endangered species. A provision in the 1999-01 biennial budget specified that damage caused by gray wolves would remain eligible for payment under the endangered resources wildlife damage program, regardless of whether gray wolves were listed as an endangered or threatened species. In 2001-02, \$62,560 was paid in damage claims, 100% of which was related to damage caused by wolves.

Table 19 identifies 2001-02 and 2002-03 revenue to and expenditures from the endangered resources account.

Table 19: Endangered Resources Account

Revenue Sources	2001-02 Actual	2002-03 Estimate	2001-02 % of Total
License Plate Sales	\$626,200	\$600,000	42.2%
Income Tax Check-off	666,500	500,000	44.8
Other Revenue	<u>193,600</u>	<u>74,900</u>	<u>13.0</u>
TOTAL	\$1,486,300	\$1,174,900	100.0%
Expenditures	\$1,473,900	\$1,325,700	100.0%

Natural Resources Magazine Account

Revenue

The statutes authorize the Department to issue and distribute a magazine containing information on resource management and related subjects. The direct costs of the agency's bi-monthly publication, Wisconsin Natural Resources, are entirely funded from subscription, single copy and reprint sales. The magazine carries no advertisements. The current subscription rates (including a yearly \$1.00 shipping and handling fee) are \$8.97 for one year, \$15.97 for two years and \$21.97 for three years. The retail price of the magazine is \$3.00 per issue. The rates are intended to recover the magazine's production costs.

Conservation patron license holders receive an annual subscription to the magazine as part of the license. A portion of the revenue from the sale of patron licenses is deposited in the natural resources magazine account to reflect the number of subscriptions attributable to patron license holders.

Approximately 127,000 people subscribe to the magazine. In addition, a small number of single copies are available at retail stores.

Expenditures

Account revenues support 3.5 positions within the agency's Bureau of Communication and

Education, who are responsible for producing the magazine. In addition, revenues are also used to fund the printing and distribution of Wisconsin Natural Resources. Articles and photographs that appear in the magazine are contributed by DNR employees and persons outside of the agency, who do not receive cash compensation for their submissions.

Table 20 identifies revenue to and expenditures from the magazine account for the 2001-03 biennium.

Table 20: Natural Resources Magazine Account

Revenue Sources	2001-02 Actual	2002-03 Estimate	2001-02 % of Total
Magazine Subscriptions	\$319,400	\$275,000	35.4%
Conservation Patron Allocation	492,500	490,000	54.5
Reprint Sales	69,900	115,000	7.7
Other Revenue	<u>21,400</u>	<u>20,000</u>	<u>2.4</u>
TOTAL	\$903,200	\$900,000	100.0%
Expenditures	\$981,500	\$962,300	100.0%

Motorcycle Recreation Account

Currently, the only revenue source to the motorcycle account is the investment income earned on the account's cash balance. Prior to 1981, the account was also funded by a \$2 surcharge on motorcycle registrations. The opening balance in the account on July 1, 2002 was \$271,000.

DNR provides aids to municipalities and federal agencies for the acquisition, development, operation and maintenance of off-the-road motorcycle trails and facilities. In addition, DNR has funded development and maintenance activities for existing off-the-road trails at the Bong Recreation Area (Kenosha County) and the Black River State Forest (Jackson County).

Table 21 identifies revenue to and expenditures from the motorcycle account for the 2001-03 biennium.

Table 21: Motorcycle Recreation Account

Revenue Source	2001-02 Actual	2002-03 Estimate	2001-02 % of Total
Investment Income	\$8,300	\$10,000	100.0%
Expenditure Categories			
Motorcycle Recreation Aids	\$90,200	\$100,000	76.6%
Customer Assistance and External Relations Division	9,500	17,200	8.1
Administration and Technology Division	16,500	16,500	14.0
Administrative Facility Repair and Debt Service	<u>1,500</u>	<u>2,100</u>	<u>1.3</u>
TOTAL	\$117,700	\$135,800	100.0%

receive investment income earned on the balance of the overall fund. DNR uses the monthly cash balance in each account of the conservation fund to distribute investment income to each of the accounts. The amount of investment income that is credited to each account is determined by the percentage that the cash balance of an individual account is of the overall cash balance in the conservation fund at the end of a given month.

Expenditures

A number of expenditures are common to more than one account within the conservation fund. The amounts paid for these expenditures are intended to reflect the estimated share that each account's programs contribute to the overall expendi-

General Conservation Fund

Revenue

All of the accounts in the conservation fund

ture. These expenditure categories may also receive funding from other sources, such as the general fund, environmental fund or federal revenues. These expenditures include: (a) administration and technology; (b) customer assistance and external relations; (c) division management; (d) facilities and lands operations; (e) integrated science services; (f) administrative facility repair and debt service; (g) aids in lieu of taxes; (h) taxes and assessments; and (i) resource acquisition and development. In 2002-03, \$44,820,100 is budgeted for these purposes out of total conservation fund expenditures of \$188,659,800.

Administration and Technology Division. This division provides for the overall management and direction of the Department as well as support services utilized by all of the programs within the Department. The management component includes the Secretary of the Department, management specialists and support staff. The other support services provided by the division include legal, financial and information technology services; budget and human resource management; and field services (such as inventory control, fleet management and procurement and aviation services). All accounts contribute to the Division of Administration and Technology except the endangered resources and natural resources magazine accounts. In 2002-03, \$16,490,400 is budgeted from the conservation fund for this division.

Customer Assistance and External Relations (CAER) Division. This division is responsible for providing many of the major customer service needs of DNR, including hunting and fishing license sales, recreational vehicle registrations, communication and education initiatives (including DNR's minority internship program and the MacKenzie Environmental Center), and the administration of several of the Department's local grant programs. The Department's liaison support to the Legislature, businesses and tribal, local and federal governments are also part of this program. Overall division management is also provided. Funding for this purpose comes from the all of the

accounts except the endangered resources and natural resources magazine accounts. In 2002-03, \$12,096,700 is budgeted from the conservation fund for the CAER Division.

Division Management. The fish and wildlife, forestry and parks accounts all contribute funding (\$4,583,200 is allocated in 2002-03) to the management of the Division of Land. In addition, the fish and wildlife account contributes to the management of the Divisions of Water (\$1,067,600 budgeted in 2002-03) and Enforcement and Science (\$437,300 budgeted in 2002-03). The management staff of the DNR divisions are responsible for developing and implementing policy for their overall divisions and include the division administrators, deputy administrators, and regional management.

Bureau of Facilities and Lands. The Bureau of Facilities and Lands' responsibilities include managing and maintaining the Department's administrative facilities, planning and implementing the agency's land acquisition program and capital development budget, maintaining land records and directing the payment of property taxes and aids in lieu of taxes to affected local governments. Civil engineering, construction activities and contract management for environmental remediation on DNR properties are also undertaken by this bureau. The fish and wildlife, forestry and parks accounts allocated \$6,111,000 to this bureau for operations in 2002-03.

Bureau of Integrated Science Services (ISS). The Bureau of Integrated Science Services in the Division of Enforcement and Science is partially funded from the fish and wildlife, forestry, parks and water resources accounts, for a total of \$2,730,600 in 2002-03. ISS coordinates the various aspects of the Department's ecological, environmental and sociological research program. The bureau both operates research facilities and manages contracts with outside facilities. Review of major public and private proposals under the National Environmental Policy Act and the Wisconsin Envi-

ronmental Policy Act are also handled by ISS. The Bureau also collects certain environmental fees and certifies operations of environmental facilities.

DNR/DOT Radio Communication Merger. In 1999, seven positions were transferred from DNR to the Department of Transportation as part of a radio communications merger. Under the merger, DNR continues to pay DOT for radio communication services. These payments are budgeted at \$445,800 in 2002-03. The payments are split between eight of the conservation fund accounts (excluding the endangered resources and the natural resources magazine account).

Administrative Facility Repair and Debt Service. Funding is budgeted to maintain DNR buildings on state-owned properties and to finance the debt service on bonds used to pay for the construction of certain buildings. All accounts contribute to administrative facility repair and debt service except for the endangered resources and natural resources magazine accounts. In 2002-03, \$1,834,700 from the conservation fund is allocated for debt service and repairs.

Aids in Lieu of Property Taxes. DNR provides aids to cities, villages or towns in lieu of property taxes for DNR-owned land within each municipality, budgeted at \$5,061,600 in 2002-03 (\$4,190,000 GPR and \$871,600 SEG). Segregated funds support aids in lieu of property taxes for certain purchases made prior to 1991 and come from the fish and wildlife, forestry and parks accounts.

Payments vary depending on when the land was purchased. The aid payment for land purchased prior to July 1, 1969, is 88¢ per acre. (Prior to 1997 Act 27, this rate was 80¢ per acre.) For land purchased after July 1, 1969, and through December 31, 1991, payments are based on the statewide average property tax rate for municipal, county and school taxes for the tax year after purchase applied to the land's assessed value. For this latter category of land, each year after the initial year the payment is reduced by 10% of the

first year amount until the 10th year or until a payment of 50¢ per acre is reached.

For land the Department purchased after December 31, 1991, DNR pays each municipality an amount equal to the tax that would be due on the estimated value of the property at the time it was purchased (generally the purchase price), adjusted annually to reflect changes in the equalized valuation of all land, excluding improvements, in the taxation district. The municipality that receives the payment from DNR pays each taxing jurisdiction a proportionate share of the payment, based on its levy. Effective in 1993-94, all aids in lieu of taxes payments made for properties purchased after December 31, 1991, are supported from a sum sufficient GPR appropriation, rather than a combination of GPR and segregated revenue from the conservation fund.

Resources Acquisition and Development. Funds from the fish and wildlife, forestry and parks accounts (\$493,500 budgeted in 2002-03) are utilized to develop certain properties within those respective programs. The 1997 and 1999 budgets, for example, provided funding from the forestry account to build four ranger stations located at Wausaukee (Marinette County), Lake Tomahawk (Oneida County), Augusta (Eau Claire County), and Webster (Burnett County). A total of seven ranger stations have been recommended to be replaced through 2005. In recent years, segregated funds appropriated for this purpose have been replaced to some extent by funds available under the Stewardship 2000 program.

Taxes and Assessments. Taxes and assessments levied against DNR are paid in part from the fish and wildlife, forestry and parks accounts. These assessments most commonly occur when a local government undertakes an infrastructure improvement that also affects DNR property (such as the extension of sewer lines by the city of Baraboo to Devil's Lake State Park). The locality then assesses DNR some amount for the cost of the improvement. A total of \$300,000 from the conserva-

tion fund is budgeted for taxes and assessments in 2002-03.

Appendices

Following are five appendices which provide additional information about the conservation fund. Appendix I shows estimates of the overall condition

statement for the conservation fund (based primarily on projections included in DNR's biennial budget request). Appendix II lists the fees assessed for hunting and fishing licenses and permits and the total number sold during 2001-02. Appendix III identifies vehicle admission fees and camping fees assessed for state park and forest properties. State parks and recreation areas and their locations are shown in Appendix IV. Appendix V identifies the fees assessed for boat registration.

APPENDIX I

Conservation Fund Condition Statement 2001-03 Biennium

	Fish and Wildlife	Forestry	Parks	Water Resources	Snowmobile	Boat Registration	All-Terrain Vehicle	Endangered Resources	Natural Resources Magazine	Motorcycle Recreation	Total Conservation Fund
2001-02 Actual											
Opening Balance	21,028,300	5,116,900	500	2,078,800	668,200	4,775,900	1,158,800	1,766,400	819,700	271,000	37,684,500
Revenue	66,213,900	73,398,300	11,694,100	11,227,000	9,686,300	1,803,000	2,265,900	1,486,300	903,200	8,300	178,686,300
Expenditures	71,565,700	77,039,100	12,108,000	11,306,100	9,348,800	5,644,900	2,599,700	1,473,900	981,500	117,700	192,185,400
Closing Balance	15,676,500	1,476,100	-413,400	1,999,700	1,005,700	934,000	825,000	1,778,800	741,400	161,600	24,185,400
2002-03: Estimate											
Opening Balance	15,676,500	1,476,100	-413,400	1,999,700	1,005,700	934,000	825,000	1,778,800	741,400	161,600	24,185,400
Revenue	63,695,400	77,760,200	11,657,200	11,610,400	9,958,400	7,026,900	2,542,100	1,174,900	900,000	10,000	186,335,500
Expenditures	72,652,700	74,827,900	11,463,100	12,520,700	10,126,900	5,545,300	2,779,300	1,325,700	962,300	135,800	192,339,700
Encumbrances/Reserves	1,318,400	2,083,300	394,900	95,800	21,400	136,600	16,400	41,500	9,100	1,200	4,118,600
Estimated Closing Balance	5,400,800	2,325,100	-614,200*	993,600	815,800	2,279,000	571,400	1,586,500	670,000	34,600	14,062,600

*While the Parks account estimate includes a potential negative balance as of June 30, 2003, based on authorized expenditure levels, DNR would decrease expenditures as necessary in order to avoid an account deficit.

APPENDIX II

Major Hunting and Fishing Licenses and Permits Current Fees and 2001-02 Sales

	Current Total Fee*	Number of Licenses Sold
HUNTING		
Resident		
Small Game	\$14.00	91,316
Senior Small Game	7.00	8,414
Youth Small Game	8.00	24,469
Deer	20.00	477,432
Elk	41.00	0
Bonus Deer Permit	12.00	136,808
Class A Bear	41.00	4,813
Class B Bear	8.00	6,501
Archer	20.00	168,471
Wild Turkey Permit	11.00	81,776
Trapping	18.00	2,951
Nonresident		
Annual Small Game	\$75.00	7,001
Five-Day Small Game	43.00	4,721
Deer	135.00	40,667
Elk	201.00	0
Bonus Deer Permit	20.00	11,221
Class A Bear	201.00	134
Class B Bear	100.00	309
Archer	135.00	8,510
Wild Turkey Permit	55.00	3,513
Fur-bearing Animal	150.00	48
Other Hunting		
Pheasant Stamp	\$7.25	31,287
Wild Turkey Stamp	5.25	76,358
Waterfowl Stamp	7.00	51,659
FISHING		
Resident		
Annual	\$14.00	516,057
Husband and Wife	24.00	106,926
Youth and Senior Annual	7.00	99,547
Sturgeon Spearing	20.00	0
Disabled	7.00	7,779
Disabled Veteran	3.00	970
Nonresident		
Individual:		
Annual	\$34.00	105,190
Fifteen-Day	20.00	33,559
Four-Day	15.00	118,067
Sturgeon Spearing	50.00	0
Family:		
Annual	\$52.00	30,369
Fifteen-Day	30.00	19,554
Other Fishing		
Two-Day Great Lakes	\$10.00	27,543
Inland Trout Stamp	7.25	142,549
Great Lakes Salmon and Trout Stamp	7.25	118,337
OTHER LICENSES AND CARDS		
Resident		
Conservation Patron	\$110.00	82,607
Sports License	43.00	79,579

* Includes the base fee, issuance fee and wildlife damage surcharge on most hunting licenses.

APPENDIX III

State Parks and Forests Recreation Fees As of January 1, 2003

Vehicle Admissions	Fee
Resident	
Annual	\$20.00
Additional Annual	10.00
Daily Auto	5.00
Daily Bus	10.00
Senior Annual	10.00
Senior Daily	3.00
Nonresident	
Annual	\$30.00
Additional Annual	15.00
Daily Auto	10.00
Daily Bus	14.00
State Trail Pass	
Resident or Non-Resident Annual	\$10.00
Resident or Non-Resident Daily	3.00
Campground Sites*	
Resident, Per Night	\$7.00 - 10.00
Non-Resident, Per Night	9.00 - 12.00
Extra Charge for Electricity, Per Night	3.00
Reservation Fee, Per Reservation	9.50
Reservation Cancellation Fee, Per Reservation	8.50

* Camping fees vary with campground amenities, day of the week, season, and camper's residency.

APPENDIX IV

State Parks and Recreation Areas Operated by DNR

Facility	Nearby City	County
Amnicon Falls	Superior	Douglas
Big Bay	Bayfield	Ashland
Big Foot Beach	Lake Geneva	Walworth
Blue Mound	Blue Mounds	Iowa
Bong	Kansasville	Kenosha
Browntown-Cadiz Springs	Monroe	Green
Brunet Island	Cornell	Chippewa
Buckhorn	Necedah	Juneau
Chippewa Moraine	New Auburn	Chippewa
Copper Falls	Mellen	Ashland
Council Grounds	Merrill	Lincoln
Devil's Lake	Baraboo	Sauk
Governor Dodge	Dodgeville	Iowa
Governor Nelson	Waunakee	Dane
Harrington Beach	Belgium	Ozaukee
Hartman Creek	Waupaca	Waupaca
High Cliff	Menasha	Calumet
Hoffman Hills	Menomonie	Dunn
Interstate	St. Croix Falls	Polk
Kinnickinnic	River Falls	Pierce
Kohler-Andrae	Sheboygan	Sheboygan
Lake Kegonsa	Stoughton	Dane
Lake Wissota	Chippewa Falls	Chippewa
Merrick	Fountain City	Buffalo
Mill Bluff	Camp Douglas	Monroe
Mirror Lake	Baraboo	Sauk
Natural Bridge	Baraboo	Sauk
Nelson Dewey	Cassville	Grant
New Glarus Woods	New Glarus	Green
Newport	Ellison Bay	Door
Pattison	Superior	Douglas
Peninsula	Fish Creek	Door
Perrot	Trempealeau	Trempealeau
Potawatomi	Sturgeon Bay	Door
Rib Mountain	Wausau	Marathon
Roche-A-Cri	Friendship	Adams
Rock Island	Washington	Door
Rocky Arbor	Wisconsin Dells	Sauk
Tower Hill	Spring Green	Iowa
Whitefish Dunes	Sturgeon Bay	Door
Wildcat Mountain	Ontario	Vernon
Willow River	Hudson	St. Croix
Wyalusing	Bagley	Grant
Yellowstone Lake	Blanchardville	Lafayette
Lakeshore*	Milwaukee	Milwaukee
Tommy G. Thompson*	Mountain	Marinette
Capital Springs*	Madison	Dane

*These three new parks are not yet open, or are open on a limited basis, for public use.

APPENDIX V

Boat Registration Fees (Valid for Three Years) As of January 1, 2003

Nonfleet Boats

Nonpowered Sailboat	\$15.00
Motorboats, under 16 feet	16.50
Motorboats, 16 to 26 feet	24.00
Motorboats, 26 to 40 feet	45.00
Motorboats, over 40 feet	75.00
Voluntarily registered boats	9.75

Fleet Boats

Fleet Fee*	\$27.00
Nonpowered Sailboat	7.50
Motorboats, under 16 feet	8.25
Motorboats, 16 to 26 feet	12.00
Motorboats, 26 to 40 feet	22.50
Motorboats, over 40 feet	37.50
Voluntarily registered boats	4.88

Other Fees

Dealer/manufacturer fee	\$75.00
Ownership transfer Issuance	3.75

* The fleet fee is applied to people who own and register three or more boats, and is paid in addition to the per boat fee shown.